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TABLE OF CONTENTS

	Page
Shipments from Canadian Ports to Middle East and African Countries	1
Canadian Export Commodities and Industries:	
15. Non-ferrous Base Metals.....	2
Economic Conditions in Australia during 1943	
II. Agriculture	11
Economic, Trade and Production Notes	19
Mail Service to Italy.....	19
Trade Regulations and Tariff Changes:	
Canada: Export Permit Regulations Amended	19
Uruguay: New Consular Invoice.....	20
Foreign Exchange Quotations.....	21
Condensed List of Publications.....	22
Commercial Intelligence Service.....	23

SHIPMENTS FROM CANADIAN PORTS TO MIDDLE EAST AND AFRICAN COUNTRIES

In order to assist Canadian exporters in clearing their shipments to Middle East countries through Canadian ports, thereby making it unnecessary to file Form E-1, it has been found necessary to request that the following information be furnished to the Ministry of War Transport of the United Kingdom at Montreal, as soon as advice is received that an import licence has been issued by the authorities in the country of destination.

In order to ensure maximum assistance, information as outlined below is specifically required:

1. Shipper's name
2. Shipper's address
3. Export licence and number
4. Commodity

5. Port of discharge
6. Number and type of packages
7. Gross weight
8. Cubic measurement
9. Location of goods
10. When ready for shipment
11. If shipment handled by forwarding agent, give name and address

Address your letter containing the above information to: Mr. W. M. Kirkpatrick, Director Freight Traffic, Ministry of War Transport of the United Kingdom, Room 284, Windsor Station, Montreal, P.Q.



It will be noted above that the exporter is requested to communicate with the Ministry of War Transport of the United Kingdom as soon as he is in possession of an import licence, or has been informed that one has been issued. It is understood that a firm booking cannot be made until the exporter has received an export permit.

The above information is required in order to enable the Ministry of War Transport of the United Kingdom, Montreal, to plan space in advance and thus endeavour to have available sufficient cargo space to take care of the cargo offering from Canadian ports to the following countries:—

Angola (Portuguese West Africa).
 Belgian Congo.
 British West Africa, including Nigeria, British Cameroons, Gambia, Sierra Leone, Gold Coast including Ashanti and Northern Togoland.
 French Cameroons.
 French Equatorial Africa.
 Aden.
 Anglo-Egyptian Sudan.
 British Somaliland.
 Cyprus.

Egypt.
 Eritrea.
 Ethiopia.
 French Somaliland (French Somali Coast).
 Iran.
 Iraq.
 French West Africa, including Mauritania, Senegal, French Guinea, Ivory Coast, Dahomey, French Sudan, and Niger.
 Liberia.
 Madagascar.
 Mozambique (Portuguese East Africa).
 Reunion.
 Kamaran Island (Aden).
 Khorya-Morya Island (Aden).
 Lebanon.
 Libya.
 Palestine.
 Perim Island (Aden).
 Saudi Arabia.
 Sokotra Island (Aden).
 Syria.
 Trans-Jordan.
 Yemen.

Should circumstances be such that cargo offering cannot be cleared through a Canadian port and the exporter wishes to ship via a United States port, the exporter must complete Form E-1 and forward it to the Shipping Priorities Committee, West Block, Ottawa.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

15. NON-FERROUS BASE METALS

By W. H. LOSEE, *Chief, Mining, Metallurgical and Chemical Branch,
 Dominion Bureau of Statistics*

Canada is among the world's greatest producers of the common base metals and the exploitation of the mineral deposits from which they are derived is closely associated with the growth and development of the country.

The base-metal mines are usually situated in areas of little value other than for mining, but because of the tremendous size and contingent metallurgical works, their operation has created a prosperity in sections of Canada which exercises a profound influence on the general economic development of the country. In other words, the demand created by these mining industries for machinery, chemicals, and other process supplies, as well as

for the necessities of life, gives them an important place in the national economy.

Because domestic consumption of base metals was always relatively small, Canada has depended chiefly on foreign markets for their disposal, particularly to those industrial countries with little or no mineral production. In the early days of mining in Canada, ores or mill concentrates were shipped to foreign smelters either in the United States or Europe. With increased knowledge of the size of the deposits, smelters were established at or near the mines—the smelter product only being exported.

Refining

This condition placed Canada in a difficult position at the beginning of the first Great War. She was forced to export her mine products in the raw or semi-finished state and to re-import the metal subsequently for further fabrication in her own war industries. No refined copper, nickel or zinc, and only a very little refined lead was then produced. It was clearly evident that for Canada to be self-sufficient in such metals it was necessary to encourage, where economically possible, their refining in Canada.

The establishment of a small copper refinery in 1916 at Trail, B.C., was the beginning of the refining of copper in the Dominion.

Nickel matte was exported to the United States and to England for refining prior to the outbreak of the first Great War, with the control of the final product resting more or less in external hands. Before the end of the war the construction of a nickel refinery was begun at Port Colborne, Ontario, and the plant was brought into operation in 1918.

Electrolytically refined zinc was produced in small quantities at Trail in 1916. However, it was not until the early '20's that the output attained prominence. In fact, one might state that the real development in the refining of metals in Canada occurred during the period between the two great wars. This development can be largely attributed to the excellent research work of Canadian metallurgists and the rapid increase in the development of hydro-electric power.

When war broke out again in 1939, Canada was able to meet the increased demands at home and also supply a large part of the requirements of Great Britain. Fabrication plants for the manufacture of wire cable and rolled products (in the case of copper), galvanized metals, die castings (in the case of zinc), and alloys of copper and zinc had paralleled the increase in the production of the refined metals, so that production from mine to shell cas-

ing is now entirely within the scope of Canadian industry.

Wartime Supply Agreement

Shortly after the outbreak of war an important agreement was made between the producing companies and the British Government, whereby they would supply the surplus of copper, lead and zinc above Canada's requirements at the then prevailing prices. An upward revision of prices was to be permitted only if costs should rise for reasons beyond the control of the mining companies, such as a rise in wages or in costs of process supplies.

This agreement is still in effect. Prices of copper, lead and particularly zinc, have all risen on the open market, and the difference between the present price and the contract price can properly be considered a direct contribution by these mining companies to the war effort.

There were several Canadian base-metal deposits which could not operate economically at these frozen wartime prices. Special contracts were therefore arranged at prices which have permitted the working of these properties in order to augment the supply. They were not economic possibilities in normal times, but metals had to be secured regardless of cost.

Copper

It is difficult to review the history of the production of any individual metal singly because of the usually complex nature of its ore. Copper is very seldom discovered by itself. It is generally associated with other valuable metals. For instance, the principal source of copper in Quebec and British Columbia is with silver-gold ores; in Ontario, with copper-nickel ores, and in Manitoba and Saskatchewan, with gold-copper-zinc ores. In this article the procedure will be to describe the possibilities of each metal separately and to refer to the associated metals only in general terms.

Canadian copper production from all sources has risen from 76 million

pounds in 1914 to 575 million pounds in 1943. The 1943 output represents a decrease of 12 per cent from the peak year of 1940, when production totalled 655·6 million pounds. The decrease was due partly to the copper output of the International Nickel Company being subordinated to the war needs of expanded nickel production and partly to shortages in labour.

QUEBEC PRODUCTION

Beginning towards the eastern side of Canada, the principal copper production is from Noranda Mines Limited, a large copper-gold mine situated in the northwestern part of the province of Quebec and not far from the Ontario boundary. It was discovered in 1921 by Ed. Horne and is known as the Horne mine. Other producers in the area—principally the Waite Amulet and the Normetal—ship copper-gold concentrates to the Noranda smelter for treatment. The Horne property was first prospected for gold, but intensive and sustained work proved up a large body of copper sulphide. A smelter was built and production began in 1927, the converter copper being exported for refining.

Plans were subsequently developed for the refining of copper in this country, and an electrolytic copper refinery was built in 1930 at Montreal East, on the banks of the St. Lawrence. The refinery was located at this particular spot owing to the abundance of electric power and excellent water transportation. Quebec copper production rose from 33,700,000 pounds in 1928 to 131,164,000 pounds in 1943. In addition to refining the product of the Noranda smelter, blister copper produced by the Hudson Bay Smelting & Refining Co. Ltd., Flin Flon, Manitoba, is also treated. The output of this electrolytic refinery rose from nil in 1930 to 196,153,000 pounds in 1943.

Of equal importance in the development of these Quebec ores was the fact that railway communication was established early with the Temiskaming & Northern Ontario Railway, which

connects the mines with the industrial areas to the south. About the same time the Canadian National Railway connected the area with its main transcontinental line. This railway development occurred in a part of Canada known before only to the trapper and the logger, and opened up a new section of the country to mining and general colonization.

ONTARIO OUTPUT

Ontario production comes from the deposits of the Sudbury area. These are of an entirely different type from those in Quebec. The ores, a combination chiefly of copper-nickel sulphides, also carry gold, silver, platinum and other valuable metals. The discovery of these deposits was made in 1883 during the construction of the main line of the Canadian Pacific Railway. The ores were first worked for their copper content, with no suspicion that they contained nickel.

At that time nickel was considered a rare metal and there was very little demand for it. Difficulty was early experienced in treatment of these Sudbury ores, and it was through this difficulty that the discovery was made of their nickel content and an entirely new method was developed for the separation of the two metals.

The two principal companies operating in this area prior to the last war were the Mond Nickel Company, financed with English capital, and the International Nickel Company, financed by American capital. The Mond Company shipped smelter matte to England and the International Nickel Company shipped its matte to the United States. Later a nickel refinery was built by the latter company at Port Colborne, Ontario, for the refining of nickel matte; the copper matte continued to go to the United States.

In 1928 the Mond Nickel Company merged with the International Nickel Company to form the International Nickel Company of Canada Limited. Operations were conducted in much the same way, except that plans were made which eventually culminated in an

enormous expansion of plant and the building of a copper refinery near the smelter at Copper Cliff.

Copper production in Ontario, including copper in smelter products exported, rose from 22,250,000 pounds in 1912 to 47,074,000 pounds in 1918, fell away to 11,000,000 pounds in 1922 but rose rapidly to 127,719,000 pounds in 1930. During the depression production reached a low of 77,000,000 pounds in 1932, following which annual increases were recorded to a peak of 348,000,000 pounds in 1940. Output during the past two years has fallen away owing to the fact that arrangements were made to treat ore with a lower copper and higher nickel content.

In addition to treating converter copper produced by the International Nickel Company Limited, the refinery at Copper Cliff refines copper originating in the Falconbridge, Flin Flon and Sherritt Gordon mines. Refined copper production rose from nil in 1929 to 304,000,000 pounds in 1943.

DEVELOPMENTS IN THE PRAIRIE PROVINCES

Manitoba and Saskatchewan had long been looked upon as strictly agricultural provinces, although mineral possibilities were known to exist in the northern sections and a certain amount of prospecting had been done. This prospecting resulted in the discovery in Manitoba in 1915, by Thomas Creighton, of a large complex ore body of copper and zinc, which later became known as the Flin Flon mine. The difficulty experienced in separating the finely associated zinc and copper minerals prevented rapid development, but the property was eventually acquired by the Whitney interests of New York, who expended large sums on metallurgical research, and when success was assured built a power plant and began the thorough development of the mine. A copper smelter and zinc refinery were built, and these provinces became important producers of mineral wealth.

An interesting point in connection with the Flin Flon mine is that it lies

across the boundary of Manitoba and Saskatchewan. Part of the ore is mined in Saskatchewan and hoisted in Manitoba, and any provincial production must be recorded as originating in each of these provinces.

The Sherritt Gordon mine is situated about 75 miles north of the Pas. Several unsuccessful attempts were made to operate it, but eventually it was acquired by the Lindsley interests, who brought it to successful production. The copper concentrate is shipped to the Flin Flon smelter and the zinc concentrate is exported.

Smelter production of copper from these sources rose from nil in 1929 to 122,211,000 pounds in 1943. This is shipped to Montreal East and Copper Cliff for refining.

PRODUCTION IN BRITISH COLUMBIA

Although a certain amount of interest was being taken in the development of copper mines in Eastern Canada, British Columbia was for many years the principal copper-producing province of the Dominion. Prospectors found their way northward across the border, and mines were discovered at Rossland, Greenwood, and Phoenix. Copper smelters were built to treat these ores and this part of Canada became widely known as an important mining district.

The properties discovered then were eventually worked out and the Granby Consolidated Mining, Smelting & Power Co. Ltd., which operated the mine at Phoenix, acquired a copper mine in the Portland Canal district in northern British Columbia. A smelter was built in 1912 and operated until 1935 when it was dismantled. The same company then began operations on the Copper Mountain mine near Princeton in 1936, which ended a period of idleness that had prevailed since 1930. This mine is still operating and the concentrates are shipped to the United States for treatment.

The Britannia mine on Howe Sound, a short distance north of Vancouver, was discovered in 1898, and has been one of the principal and consistent

copper producers in British Columbia for many years. Copper concentrates from this property are exported to Tacoma, Washington, for smelting.

Production of copper in British Columbia rose from 41,219,000 pounds in 1914 to 62,000,000 pounds in 1918, fell off to 32,000,000 pounds in 1922 and rose again to 104,000,000 pounds in 1929. In 1936 there were 21,000,000 pounds produced, and the output rose to 78,000,000 pounds in 1940 but slumped to 42,000,000 pounds in 1943.

FUTURE POSSIBILITIES

The successful operation of Canada's copper mines which are presently in production, will depend to a great extent on the post-war demand for this metal in foreign markets, the cost of production, the length of haul, and the amount of reconstruction necessitated by the devastation of Europe during the present war. The scrap situation will have a tremendous influence on the operations of copper mines throughout the world after the cessation of hostilities. It is expected that attempts will be made to plan the feeding of the war scrap back into industry at such a rate that mining operations will not be seriously disrupted.

Nickel

Canada has long been known as the principal source of the world's supply of nickel, yet its discovery in association with copper was somewhat of an accident. The metallurgy of its extraction had to be worked out and the development of its early uses is most interesting. Its main properties were discovered when production in Canada was assured.

The fact that a small quantity of the metal alloyed with steel rendered the resulting product high in tensile strength made nickel most valuable for armour plate, and in the race for naval construction, Canada's supply placed the British Empire in a preferred position. New Caledonia, in the Pacific, owned by France, was the only real source of nickel prior to the discovery of the Sudbury deposits, so that France

and the British Empire really controlled the supply of nickel.

As mentioned before, nickel was not refined in Canada prior to the last Great War. The principal refinery in the British Isles was at Clydach, Wales, to which the Mond Nickel Company shipped its matte. The International Nickel Company shipped its matte to Huntington, West Virginia. This company was the largest producer and it was felt by the authorities that better control could be maintained over the production if it was refined in Canada, and this was the reason for the construction of the refinery at Port Colborne. A natural alloy of nickel and copper, known as monel metal, is continuing to be made in the United States, and refined nickel is still produced at Clydach.

Because of the disarmament trend after the last war nickel became a drug on the market; but intensive metallurgical research showed wide uses for it in peacetime products, such as in automobiles, mining machinery, and in all equipment where tensile strength is required. The growth in use for such products is indicated by the production figures for the metal. From 45 million pounds in 1914 output rose under wartime demand to 92·5 million pounds in 1918, dropped to 17·6 million pounds in 1922, and then rose to 110 million pounds in 1929. As a result of the depression it fell to 30 million pounds in 1932 and rose to the unprecedented high point of 287·8 million pounds in 1943.

About the close of the last war, the British-American Nickel Company began the operation of mines and smelter in the Sudbury district, and a copper and nickel refinery was built at Deschenes, Quebec. This operation was not successful and the property was closed down and went into liquidation in 1924. In 1926 the Falconbridge Nickel Mines Limited began operations, with a smelter at the mine and a refinery at Kristiansand, Norway. The refinery fell into the hands of the Germans when Norway was overrun, and the International Nickel Company has treated the ore from Falconbridge as well as from its own.

Canada occupies a unique position in regard to the supply of nickel and its expanding use for peacetime operations should coincide with development of the study of alloys where its properties would be of the most benefit.

Lead

Lead production follows closely the pattern of zinc, the principal producer being the Consolidated Mining & Smelting Company at Trail, B.C. Here is located the only electrolytic lead refinery in Canada. In addition to the ores in the Sullivan mine, other properties in the Kootenay district of British Columbia shipped to Trail. Lead concentrates from all other sources must be exported. Refined lead production reached 449 million pounds in 1943.

Zinc

Zinc ores are widely distributed throughout Canada. Production is recorded in Quebec, Ontario, Manitoba, Saskatchewan and British Columbia. The principal source, however, is the Sullivan mine at Kimberley, B.C., owned and operated by the Consolidated Mining & Smelting Company.

This is a large silver-lead-zinc ore body, which was discovered in 1892. Here again the minerals were so closely associated that no method was known to effect their economic extraction. The claims were eventually acquired by the Consolidated Mining & Smelting Com-

pany in 1909. Various processes were tried and large sums were spent in experimental work, but the first real encouragement came with the adoption of the flotation process. A mill was built in 1923 and daily trainloads of zinc concentrates and lead concentrates are hauled some 200 miles to the great reduction works at Trail, B.C.

Production of zinc in British Columbia rose from a recorded output of 22 million pounds in 1916 to 335 million pounds in 1943, and the refined zinc production rose from 6 million pounds in 1916 to 304 million pounds in 1943.

The next largest zinc producer in Canada is the Flin Flon mine, already mentioned in connection with copper. A zinc refinery was also built at this mine, and the refined product rose from nil in 1929 to 108 million pounds in 1943. Because of the heavy demand for zinc during this war, properties throughout the Dominion which could not operate at prices prevailing prior to the outbreak of war, have been brought into operation with the assistance of both the United States and Canadian Governments in order to augment the supply. Concentrates from these mines are exported to the United States for treatment.

The Canadian zinc production from all sources reached a high point of 610.7 million pounds in 1943, of which 412 million pounds were in the refined state.

TABLE I

Exports of Copper and Copper Products to Principal Countries, 1928 and 1938

	Cwt.	\$		Cwt.	\$
		1928	1938		
Copper, fine, contained in ore, matte, etc....	764,279	7,023,884	1,098,061	7,637,581	
United Kingdom	185,216	1,384,993	33,781		255,044
Japan .....	.....	.....	303,376		2,128,705
Norway .....	.....	.....	77,302		537,722
United States	579,063	5,638,891	585,119		4,052,784
Copper, blister	1,047,647	15,375,344	305,273		3,056,241
United States	949,762	13,761,824	305,273		3,056,241
Germany	97,885	1,613,520	.....	.....
Copper, old and scrap	80,617	869,839	34,374		205,059
United Kingdom	1,666	17,778	2,444		11,210
Germany	3,351	42,334	4,576		35,433
Japan	2,458	31,623	1,776		14,179
United States	71,511	757,956	22,257		118,130
Copper in ingots, bars, cakes, slabs and billets	.....	.....	3,635,287		35,858,006
United Kingdom .....	.....	.....	2,165,283		21,452,449
British India .....	.....	.....	3,856		35,813

Exports of Copper and Copper Products to Principal Countries—Con.

	Cwt. 1928	\$	Cwt. 1938	\$
Belgium .....	.....	50,705	486,310	
Brazil .....	.....	3,362	32,846	
Czechoslovakia .....	.....	267,464	2,551,263	
Denmark .....	.....	6,743	64,888	
Egypt .....	.....	2,238	20,779	
France .....	.....	148,875	1,474,532	
Germany .....	.....	547,855	5,399,174	
Italy .....	.....	37,486	359,115	
Japan .....	.....	6,723	61,869	
Latvia .....	.....	6,064	57,737	
Netherlands .....	.....	76,619	744,878	
Norway .....	.....	5,609	56,427	
Poland and Danzig .....	.....	79,973	793,791	
Sweden .....	.....	225,890	2,260,223	
Copper in bars, rods, strips, sheets, plates and tubing	1,582	40,988	.....	.....
United Kingdom	137	4,510	.....	.....
United States	32	812	.....	.....
New Zealand	1,179	30,701	.....	.....
Copper in rods, strips, sheets, plates and tubing .....	.....	.....	535,129	5,767,622
United Kingdom .....	.....	.....	387,577	4,076,527
Australia .....	.....	.....	2,950	71,997
New Zealand .....	.....	.....	10,822	215,530
Belgium .....	.....	.....	3,700	35,902
Brazil .....	.....	.....	3,418	36,655
China .....	.....	.....	2,205	22,051
France .....	.....	.....	1,906	18,477
Latvia .....	.....	.....	16,772	186,138
Netherlands .....	.....	.....	73,016	753,025
Norway .....	.....	.....	3,794	42,809
Switzerland .....	.....	.....	28,395	300,109
Copper wire and cable, insulated	259,430	.....	.....	435,784
Newfoundland	30,653	.....	.....	34,155
Australia .....	.....	.....	.....	19,777
New Zealand	15,845	.....	.....	31,776
Argentina .....	.....	.....	.....	17,040
Brazil	105,975	.....	.....	14,514
Chile .....	.....	.....	.....	28,409
China .....	.....	.....	.....	19,450
Colombia .....	.....	.....	.....	44,678
Cuba	84,397	.....	.....	3,404
Mexico	10,695	.....	.....	130,314
Panama .....	.....	.....	.....	4,119
Peru .....	.....	.....	.....	16,152
Salvador .....	.....	.....	.....	4,169
Philippine Islands .....	.....	.....	.....	41,054
Copper, manufactures, n.o.p., including "copper wire bare" and "copper wire screen"	25,930	.....	.....	354,509
United Kingdom .....	.....	.....	.....	324,350
Total copper and its products	23,595,415	.....	.....	53,314,802
Total British Empire .....	.....	.....	.....	26,553,614
Total other countries .....	.....	.....	.....	26,761,188
United States	20,166,516	.....	.....	7,237,687

TABLE II

Exports of Nickel and Its Products to Principal Countries, 1928 and 1938

Nickel contained in matte or speiss	363,708	5,457,222	886,482	15,956,929
United Kingdom	263,797	3,956,946	553,858	9,969,894
United States	99,911	1,500,276	78,973	1,421,514
Norway .....	.....	.....	153,248	2,758,267
Nickel in nickel oxide	96,072	3,004,951	36,835	1,199,118
United Kingdom	2,232	57,767	16,079	531,093
France	4,098	136,261	.....	.....
Germany	3,998	131,246	404	15,395
Netherlands	74,589	2,463,690	16,856	579,195
United States	11,155	215,987	3,496	73,435

	Cwt.	\$	Cwt.	\$
	1928		1938	
Refined nickel	511,887	13,320,034	1,053,723	35,340,370
United Kingdom	27,268	963,344	429,546	17,029,686
United States	419,095	9,969,474	435,567	10,890,796
France	11,966	417,805	2,543	99,457
Germany	10,850	398,136	15,127	602,260
Japan	8,008	295,365	153,974	6,047,425
Netherlands	29,521	1,089,458	6,618	263,555
Total nickel and its products .....	.....	21,782,207	1,977,040	52,496,417
British Empire .....	.....	.....	999,907	27,546,166
Foreign countries .....	.....	.....	977,133	24,950,251

TABLE III

Exports of Lead and Its Products to Principal Countries, 1928 and 1938

Lead, metallic, contained in ore, etc.	149,629	893,709	71,623	345,394
United States	143,334	860,309	66,363	322,714
Belgium	6,295	33,400	5,206	22,455
Germany .....	.....	.....	54	225
Lead in pigs, refined lead, etc.	2,554,217	10,172,075	3,098,641	8,637,797
United Kingdom	1,108,567	4,431,517	2,391,619	6,656,476
China	123,263	514,269	74,696	213,628
Hong Kong .....	.....	.....	29,892	87,827
France	138,429	539,415	59,704	177,751
Japan	821,881	3,255,524	347,627	957,149
Netherlands	146,026	571,323	4,480	12,085
Germany	94,362	380,652	100	300
Belgium	77,199	303,722	5,599	16,048
Total lead and its products .....	.....	11,065,784	3,170,264	8,983,191
British Empire .....	.....	.....	2,450,208	6,826,410
Foreign countries .....	.....	.....	720,056	2,156,781

TABLE IV

Exports of Zinc and Its Products to Principal Countries, 1928 and 1938

Zinc, in ore (four countries in 1938)	225,107	1,438,619	458,410	1,154,812
Belgium	225,107	1,438,619	371,162	963,944
Zinc spelter	1,271,885	6,602,867	2,644,241	8,626,961
United Kingdom	216,178	1,110,066	1,987,789	6,563,273
Belgium	105,976	548,478	105,862	315,717
France	75,051	381,845	56,785	181,084
Germany	337,451	1,768,683	36,054	146,768
Japan	346,349	1,794,693	301,945	920,758
United States .....	.....	.....	47,835	161,147
Total zinc and its products .....	.....	8,245,370	3,126,292	9,816,008
British Empire .....	.....	.....	2,017,176	6,652,981
Foreign countries .....	.....	.....	1,109,116	3,163,027

TABLE V

Exports of Brass and Its Products to Principal Countries, 1928 and 1938

Brass scrap, dross and ashes	115,482	984,071	80,528	443,113
United Kingdom	4,441	46,345	17,773	107,107
United States	98,065	823,877	48,696	230,546
Brass in bars, rods, strips, sheets, etc.	496	9,385	6,000	102,340
United Kingdom	89	865	2,292	28,703
Hong Kong .....	.....	.....	1,518	28,184
New Zealand .....	.....	.....	897	20,378
Brass valves .....	.....	261,419	.....	205,010
United Kingdom .....	.....	159,826	.....	139,003
Brass manufactures .....	.....	594,159	.....	338,363
United Kingdom .....	.....	499,729	.....	213,087
Australia .....	.....	.....	.....	88,102
Total brass and its products .....	.....	1,849,034	.....	1,088,826
British Empire .....	.....	.....	.....	684,658
Foreign countries .....	.....	.....	.....	404,168

Exports by Countries

Comparative figures of exports of copper, nickel, lead, zinc, brass and their products to principal countries in 1928 and 1938 are shown in Tables I to V, both quantities and values being given where available. The figures in these tables reflect the progress in refining and in other processing within Canada, already discussed, in this period.

COPPER

It will be noted that exports of copper in 1938 had a total value more than double that of 1928. This was due to an increase in volume and also to the fact that Canada was exporting more refined copper in the former year. Shipments of ingots, bars, cakes, slabs and billets, and of rods, strips, sheets, plates and tubing accounted for roughly four-fifths of the 1938 total value, while in 1928 their value was small. There were moderate increases in exports of "copper, fine, contained in ore, matte, etc." and in insulated copper wire and cable in 1938 as compared with 1928, which was a year of high economic activity. On the other hand, exports of blister copper had declined sharply in 1938 from the 1928 level.

In 1928 copper shipments to the United States accounted for \$20,166,516 of the value of \$23,595,415 for all shipments. In 1938, however, exports to the United States accounted for only \$7,237,687 of the total value of \$53,314,802, while those to the British Empire were valued at \$26,553,614 and to other countries (excluding the United States) at \$19,523,501.

Copper in ingots, bars, cakes, slabs and billets was shipped to nineteen countries in 1938; copper in rods, strips, sheets, plates and tubing to twenty-two; insulated copper wire and cable to thirty-seven; and copper manufactures, n.o.p. to twenty-seven. The United Kingdom was the major destination of copper exports, with total purchases valued at \$26,123,837.

NICKEL

Exports of nickel from Canada rose in value from \$21,782,207 in 1928 to

\$52,496,417 in 1938. Shipments to the British Empire accounted for \$27,546,166 of the 1938 total, practically all going to the United Kingdom. Exports to the United States showed little change in value in 1938 as compared with 1928. Shipments were made to twenty-three countries in 1938.

LEAD

In contrast with those of copper and nickel, total exports of lead and its products were lower in value in 1938 than in 1928. They were, however, substantially larger in quantity. The greater part of lead exports fall under the classification "lead in pigs, refined lead, etc.", which went to twenty-eight countries in 1938, with the United Kingdom taking about 80 per cent of the total. Sales to principal foreign markets were generally smaller in 1938 than ten years earlier.

ZINC

Exports of zinc in 1938 were substantially larger in quantity than in 1928 but, due to lower prices, only moderately higher in value. Zinc spelter was shipped to twenty-five countries in 1938, about three-fourths by value going to the United Kingdom. As in the case of lead, shipments to principal foreign markets as a whole were considerably smaller than in 1938.

Production and Exports

Most of Canada's production of non-ferrous base metals is eventually marketed abroad. Domestic consumption absorbs directly only a fraction of the output and when allowance is made for imports of these metals, whether of Canadian or other origin, in further processed or fabricated forms or in finished articles the domestic consumption still represents only a small proportion of Canadian production.

The figures of production and exports of each metal during the seven years 1936 to 1942, covering pre-war and wartime output and movement, given in the following paragraphs, indicate clearly the extent to which Canada is dependent upon external markets for disposal of these commodities.

COPPER

In the following table of production and exports of copper for the years 1936 to 1942, production figures include copper in ores and concentrates, copper in matte, and copper blister. Exports include copper, fine, in ore, matte, regulus, etc.; blister copper; copper in ingots, bars, cakes, slabs and billets, and in rods, strips, sheets, plates and tubing; but they do not include copper in wire, as no quantities are given for this classification. The figures therefore do not represent the full quantities exported.

	Production Pounds	Exports Pounds
1936	421,027,732	404,532,900
1937	530,028,615	432,118,000
1938	571,249,664	557,375,000
1939	608,825,570	542,988,800
1940	655,593,441	526,783,500
1941	643,316,713	427,011,700
1942	603,661,826	331,878,400

The average production for the seven years was 576,243,366 pounds and the average exports 460,384,043 pounds or approximately 80 per cent of the average production. It will be noted that the proportion exported has declined during the war years, reflecting the use of copper in Canadian production of war supplies. During the pre-war years 1936 to 1938, exports averaged over 90 per cent of production.

NICKEL

Production and export figures for nickel alike include nickel in matte or speiss, nickel in oxide, and refined nickel.

	Production Pounds	Exports Pounds
1936	169,739,393	173,637,500
1937	224,905,046	222,770,000
1938	210,572,738	197,704,000

	Production Pounds	Exports Pounds
1939	226,105,865	234,781,300
1940	245,557,871	249,032,000
1941	282,258,235	275,190,300
1942	285,211,803	277,589,100

The average production of nickel for the seven years was 234,907,136 pounds and the average exports 232,957,743 pounds or more than 99 per cent of production.

LEAD

The figures for production and exports of lead alike include lead, metallic, contained in ore, etc., lead in pigs, refined lead, etc.

	Production Pounds	Exports Pounds
1936	383,180,909	330,746,400
1937	411,999,484	369,669,200
1938	418,927,660	317,026,400
1939	388,569,550	369,675,900
1940	471,850,256	321,431,900
1941	460,167,005	381,802,500
1942	512,142,562	433,424,400

For the seven years average production was 435,262,489 pounds and average exports 360,539,530 pounds or approximately 83 per cent of production.

ZINC

Production and export figures for zinc alike include zinc contained in ore and refined zinc (zinc spelter).

	Production Pounds	Exports Pounds
1936	333,182,736	324,562,000
1937	370,337,589	340,467,600
1938	381,506,588	312,629,200
1939	394,533,860	357,168,200
1940	424,028,862	406,565,400
1941	512,381,636	398,751,600
1942	580,257,373	463,631,700

Zinc production averaged 428,032,-663 pounds during the seven years, while exports averaged 371,966,530 pounds or about 87 per cent of the average production.

ECONOMIC CONDITIONS IN AUSTRALIA IN 1943

By FREDERICK PALMER, Canadian Trade Commissioner at Melbourne

II. Agriculture

During 1942 the security of Australia from invasion by the Japanese was definitely assured. Plans were laid to utilize the Commonwealth as a springboard from which to launch counter-attacks. The plans covered manpower, materials, and munitions

and supplies. Included in supplies was food, and a great drive for increased production of foods of all kinds in Australia was begun.

As far as weather conditions were concerned, the year opened with the moisture situation about normal, rain-

falls being light only in Victoria and Tasmania. In May, it was reported that moisture conditions were on the whole satisfactory in the wheat areas, but that tropical rainfalls were damaging vegetable crops in New South Wales. Reports of pastures drying off were received from Queensland, South Australia and Tasmania.

By September, fears of drought in Queensland were widespread, but delayed yet ample rains saved the situation. There was little change in other sections during the month, but in October reports of poor pasture conditions were again widespread, owing to low rainfalls. Unusually cold weather was still retarding crop development in Tasmania. Conditions generally improved in November, and good crops were assured to New South Wales. Wheat areas in Victoria and Western Australia were hoping for heavier rains, but conditions were generally satisfactory and continued to be so into December except in Western Australia where there was serious depreciation owing to moisture deficiency during the previous months. As 1943 drew to a close, moisture conditions were deteriorating in western New South Wales, in central Queensland, and in South Australia where reports were widespread of low rainfalls and drying pastures.

Extension of Irrigation

As might be expected, the increasingly dry conditions experienced throughout Australia during 1943 focussed attention on the necessity for conservation of water and on the possibility of extending irrigation facilities in suitable areas. At the same time that scientists were investigating these problems the authorities were devoting some time to the consideration of post-war land settlement schemes. In the State of Victoria, post-war planning included the transfer of some 500,000 men and women from wartime to peacetime service.

It is becoming more apparent that Australia's economic future will depend on how successfully Australians can develop harmoniously primary and

secondary industries. There is general agreement that soil productivity must be the basis of the country's planning for the post-war years. It has been said that too little attention has been given to this particular aspect of Australia's agricultural economy, and that there is an urgent need for solving problems associated with soil preservation and productivity. Courses of instruction in soil conservation practices are now available at state agricultural colleges. The latest methods of soil conservation practices are demonstrated to assist land-holders in planning corrective measures.

The various government departments in most states are continuously studying the practicability of extending irrigation facilities, and many post-war employment schemes include irrigation development. Without irrigation many large suitable areas cannot satisfactorily be opened for soldier settlement.

Large-scale plans have been drafted and are under consideration. One of the more advanced of these is a scheme to irrigate 11,000,000 acres in Western Australia at an estimated cost of £A9,000,000. Towards the end of 1943 a great deal of thought was being directed, both in New South Wales and in Victoria, towards planning a greater development of the irrigation, agricultural, and industrial facilities for closer settlement of the extensive valleys of the Murray and Murrumbidgee Rivers.

Fertilizer Supplies

One of the factors making for successful agriculture in Australia has been fertilizers. The industry would hardly have achieved or retained its important position in the Australian economy without the scientific and continuous use of fertilizers. The extent to which the use of fertilizers increased in Australia in pre-war years is shown by statistics of imports and by figures of domestic production.

Since the occupation by the Japanese of certain islands in the adjacent waters of the Pacific Ocean, from which are obtained the bulk of Australia's supplies of fertilizers, the Com-

monwealth has been forced to control local distribution of the limited amount available. The superphosphate supply position has been increasingly acute, and distribution has been reserved for high priority crops. For 1943 certain schedules of supplies had been announced by federal officers. The schedules included allocations for cereals, 30 pounds per acre; cereal hay and fodder crops, 45 pounds; improved pasture, below 25-inch rainfall, 45 pounds; above 25-inch rainfall, 60 pounds; irrigated pasture, 2 cwt.; citrus fruit, 2 cwt.; dried vine fruits, 1½ cwt.; other fruits, 1 cwt.

An extra ration of phosphate for dairy farmers would be allotted, according to the production of butterfat or milk, at the rate of 1½ th cwt. of superphosphates per 100 pounds of butterfat or 250 gallons of whole milk. To maintain production throughout the summer months, dairy farmers were encouraged to sow summer fodder crops for green feed. To assist dairy farmers in this effort an extra ration of 1 cwt. of nitrate of soda would be issued, in addition to the normal ration of superphosphate for maize (corn), Sudan grass, sorghum, and millet. Considerable quantities of soda nitrate are made in Australia, and in 1943 there were discussions regarding the extension of production to other states, principally Western Australia.

Mechanization of Agriculture

In a foregoing section dealing with employment, mention was made of the difficulties encountered in maintaining an adequate supply of manpower to enable the fulfilment of the food production programs of the Government. That consideration would be given the possibility of increasing the use of agricultural machinery was a logical result. In 1942 the food production targets set up envisaged a greater use of machinery, which it was hoped could have been procured from the United States of America. However, early in 1943 it was realized that the necessary equipment could not be obtained from the United States in the volume antici-

pated. Consequently a far-reaching revision of plans for the allocation of the machinery available was necessary in order to enable Australia to carry out her production program and fulfil her food commitments, particularly to Great Britain.

Consideration was given by Commonwealth and state government authorities to schemes designed to utilize to the best advantage such equipment as tractors; cultivating, seeding and harvesting machinery; potato planters and diggers; rotary hoes; pump sprays and dusting outfits; seed-cleaning machines; and other machines necessary to production, principally of vegetables, the sowing of pastures, and the conservation of fodder for live stock.

Plans considered, and applied where possible, included leasing of equipment to persons or corporate bodies, subject to approved operation and control by local war agricultural committees on terms and conditions mutually agreed upon by farmers and the committees. The application of a pooling system of agricultural machinery was considered, and it was also decided to consider the temporary diversion of certain government annexes and munition factories to the manufacture of agricultural tools and machinery in short supply.

To stimulate interest in rural communities in an increasing use of machinery, novel methods of distributing information were used in Australia during 1943. Moving pictures were employed extensively to illustrate "power cultivation" of potatoes and mechanical harvesting of peas grown on a large scale. Ploughing, planting, spraying and digging of potatoes by tractor-driven implements were also demonstrated. Before the end of 1943 mechanical equipment of most of the types shown in the pictures was being made in Australian factories, including mechanical potato diggers and mechanical "viners" for pea-harvesting operations.

Food Production

In the early months of 1943 plans for a greater and more diversified produc-

tion of food were discussed, the planning of actual production being entrusted to the Director-General of Agriculture. The Deputy Food Controller was to supervise the procurement of foods and be responsible for processing and distribution. Exports of food continued to be the concern of the Department of Commerce and Agriculture in co-operation with the meat, wheat and dairy boards and in consultation with the Director-General of Manpower, the Department of War Organization of Industry, and the Controller of Prices.

The program of vegetable production began to take final shape in June, 1943, and the Director-General of Agriculture was able to announce that the vegetable program for the 1943-44 season provided for the planting of 399,103 acres as compared with an average of 254,000 acres in the five years ending 1938-39. The Director-General appealed to householders to grow more vegetables.

In the meantime the Department of Commerce and Agriculture was continuing its important task of organizing the producers on co-operative farm-group principles. It was proposed in July to appoint a number of full-time secretaries and district organizers to strengthen the War Agricultural and District (or Regional) Committee system. Some 120 district or regional committees had been organized throughout Australia. Chairmen were generally field officers of state departments of agriculture, specialists in food production in particular localities. The local member of the State Parliament was an ex-officio member of the committee, while the other members, numbering five or six, represented primary producers, employers, and employees.

With the main District or Regional Committees there were organized some 1,600 local War Agricultural Committees. These consisted chiefly of farmers and were designed to ensure decentralization of the functions of the main committees.

Early in September the Commonwealth Agriculture Directorate an-

nounced what it termed "the estimated minimum requirements for main types of vegetables for the 1943-44 season". There was also announced a decision to expand the canning and dehydration programs to meet the increased needs of the fighting forces, which, it was expected, would take a large proportion of the vegetable crop that would otherwise have been made available to civilians. The 1943 canning program of 112,000,000 pounds represented an increase of 124 per cent over the previous year's output. It was expected that the dehydration program would absorb 30 per cent of the carrot crop, 15 per cent of the cabbage crop, and 7 per cent of the potato crop.

The foregoing indicates that the Director General's estimate of early June, 1943, that the vegetable production would require the preparation of some 399,103 acres of ground was too low, since the new program called for sowing to vegetables no less than 496,000 acres.

The possibility of using more mechanical equipment in the vegetable industry was also being reviewed. About one-third of the tractors obtained under lend-lease were allocated to vegetable growing, and negotiations were entered into to increase the supply by an additional 5,000 tractors. So insistent was the demand for tractors in the vegetable industry that none could be made available to wheat-growers. Priority was restricted to vegetable-growers, farmers producing fodder for dairying, and for increasing meat production.

Dairy Industry

Butter rationing was introduced in Australia in June, 1943. The necessity for this measure directed attention to the position of dairy farmers, which was becoming increasingly unsatisfactory compared with that of other sections of the country.

In October, 1942, the Commonwealth Government provided a subsidy of £A2,000,000 for the dairy industry for the year beginning July 2, 1942. This subsidy was considered necessary to

meet increased costs of production and to place the dairy industry on such a financial basis that production could continue on a satisfactory level. Early in April, 1943, it was apparent that the 1942 scheme was not liberal enough, and shortly afterwards it was announced that the subsidy had been increased to £A6,500,000 for the year beginning April 1, 1943. The subsidy was to be paid to producers through the usual channel, the Australian Dairy Produce Equalization Committee.

The dairy industry has probably suffered more than any other through loss of manpower. In the early days of the war the greater use of mechanical aids, such as milking-machines, helped to maintain production. However, as the war progressed the effect of reduced labour supply more and more made itself felt, and production has only been maintained by greater individual effort on the part of dairy farmers and their families. Shortage of manpower not only made actual day-to-day operations increasingly onerous but affected the supply of fodder and other items and interfered with transport. Late in 1943 it was reported that primary industry required 50,000 men, but only 15,000 could be spared.

For 1942-43 Australian butter and cheese production is estimated at 170,167 tons and 35,547 tons respectively as against 167,530 tons and 30,153 tons in 1941-42.

Fodder Supply

For many months those interested in the welfare of the dairy industry were becoming increasingly concerned over the fluctuations in feed and fodder prices. At the same time growers of feedstuffs were equally alarmed at the failure to meet increasing costs of production. Prior to 1939 growers of oats, for example, received about 5s. a bushel (90 cents Canadian). The return according to the fixed maximum price of early 1943 was only about 3s. (54 cents) per bushel, although costs of production were considerably greater.

In April it was estimated that oat and barley crops would be higher than

originally expected, as a result of an appeal to farmers to increase production of fodder crops. Anticipating these greater crops, the Chairman of the Production Commission, the Minister for War Organization of Industry, announced guaranteed prices for barley and oats. Prices set were 2s. 6d. (45 cents) a bushel for two-row feed barley and 2s. 3d. (41 cents) per bushel for six-row feed barley, and for oats the price was 2s. 9d. (50 cents) per bushel at grower's siding.

In the middle of June the Prices Controller announced that the maximum prices of straw, hay, chaff, and oats had been fixed, owing to the pronounced tendency of the prices to rise. The Controller recognized that the prices of these commodities were subject to wide seasonal fluctuations, but control of prices had been undertaken in fairness to the consumers the prices of whose products were controlled.

Towards the end of 1943 the increasing need for fodder of all kinds continued to receive a great deal of attention. Greater consideration was being given the desirability of stimulating production of meadow hay to meet the seasonal demand for fodder, which seems always to arise in Australia during the autumn months, particularly in areas where rains have been delayed and the growth of pastures is adversely affected.

Egg Production

During 1943, a scheme was drawn up under National Security Regulations providing for the federal control of the egg industry. Federal control was introduced as a wartime emergency measure designed to implement the war effort, as far as food production was concerned, in the following ways: to pool egg supplies throughout the Commonwealth and make them available to the best possible advantage, irrespective of state boundaries; to minimize existing difficulties of supply in certain areas caused by troop movements, etc.; to supervise the production of dried-egg powder; to arrange for

sale or export of surpluses of eggs, egg powder, or egg pulp; to create more equitable conditions as between Australian producers; and to overcome the finance difficulties of state organizations required to cold-store or otherwise deal with unprecedented quantities of eggs.

All egg producers in controlled areas, having twenty or more laying fowls, were required to come within the scheme and to apply for permits. Marketing boards would act as agents of the Federal Egg Controller and control the receiving, handling, distribution and selling of eggs in their own states. A Deputy Controller in each state would act as the necessary link between the Federal Controller and State Marketing Boards. It is considered that federal egg control minimizes trading between states and places the poultry industry on a broad Australia-wide basis without limitation of state boundaries.

The quantity of eggs received by the Egg Boards during the 1943-44 season was 89.9 million dozen, the production goal having been fixed at 100 million dozen. Receipts in the 1942-43 season were 84.8 million dozen.

Flax

During 1943 further progress was made in Australia in solving problems associated with improving the economic position of the flax industry. The Commonwealth Government hopes that Australia can produce sufficient fibre to meet the whole of the country's requirements and, in addition, supply the British Government with the produce of 50,000 acres, for which contracts had been made. The Government also contemplated the improvement of the efficiency of the industry, so that its permanence could be assured. It was hoped to stimulate the increasing manufacture of flax fibre products and to maintain reasonable prices to growers for straw and reasonable wages and conditions for flax-mill employees.

The maximum area sown to flax in Australia in pre-war years was about

2,000 acres, yielding 100 tons of fibre annually. In 1943 about 60,000 acres were sown for fibre, the weekly production of which was approximately 70 tons. The capital cost of the enterprise had risen to £A600,000, thirty-two mills operating with some 2,000 employees.

The pre-war price of fibre was about £A5 per ton. The price for standard straw had increased gradually to £A8 per ton, while with bonuses a grower could obtain up to £A10 per ton.

Early in 1943 the Minister for Supply and Shipping, in a report of the Flax Production Committee, announced that an agreement had been reached with the British Government by which each government will share equitably any losses or profits incurred in the production of flax for war purposes. The price of flax fibre for sale to spinners had been pegged to prevent inflation of the prices of goods made from flax.

At the end of 1943 flax production in the State of Victoria for the 1943-44 season was estimated at 38,000 tons, a record outturn, as compared with 27,529 tons obtained in the 1942-43 season and a pre-war total of 1,500 tons.

Tobacco

Early in 1943 the Australian Federal Cabinet Production Executive, on the recommendation of the Australian Tobacco Board and the Department of Trade and Customs, fixed a production goal of not less than 6,500,000 pounds of Australian-grown tobacco for the 1943-44 season. This total was only slightly less than the record quantity grown in 1941-42, when production aggregated 6,700,000 pounds. The 1942-43 crop was disappointing, amounting to only 4,200,000 pounds.

It was stated that 96 per cent of the tobacco smoked in Australia was imported from the United States, and the desire to increase the quantity grown in Australia was based on the necessity to conserve shipping space and foreign exchange. Imports in 1941-42 amounted to 12,600,000 pounds.

At the end of June, 1943, it was announced by the Minister for Commerce that the Commonwealth Government would in future appraise the value of tobacco crops in the same way as it appraises wool. The Minister stated that if this method proved unsatisfactory, steps would have to be taken to acquire the crop. Where appraisements were below the fixed price of 2s. 9d. (50 cents) per pound, the deficiency would be made up by the buyer. A percentage would be held back out of the first payments to growers to allow for a safety margin.

Live Stock

Throughout 1943 the problem of maintaining the supply of live stock, as part of Australia's contribution to the food requirements of the United Nations, was engaging the serious study of those experts whose task it was to stimulate and maintain interest in this vital matter. Early in the year it was becoming apparent that quality beef cattle were in very short supply. Particularly high prices in Victoria indicated the serious position of the industry. It was reported that supplies of steers for fattening purposes were short by many thousands, while breeders were experiencing difficulty in maintaining production levels.

When the poor pasture conditions of early 1943 are recalled, part of the problem can more readily be appreciated, but there were thousands of acres of good pasture country which could possibly have been utilized for fattening and breeding. However, partially owing to shortage of manpower and on account of the good market offering, there was a sustained high rate of slaughter of calves that should perhaps have been allowed to mature as re-stockers. By the end of the year more attention was being given by cattlemen to this particular aspect of the problem, and it was announced that more labour would be made available to the industry.

In the month of May it was estimated that Australia was about 200,-

000 tons short in its meat commitments, and shortly afterwards an announcement was made that cow beef would be acquired for canning. The plan was to operate from June 21. All cows slaughtered of third or "canner" quality, if over 200 pounds in weight, were to be branded by inspectors of the Department of Commerce and Agriculture with the word "canner" and would be acquired by the Controller of Meat Supplies. The price at which carcass beef would be acquired was set at 4d. (6 cents) per pound, chilled weight, delivered at cannery or store, and the price was to obtain until December 31, 1943.

As the year progressed, the live-stock position, particularly in Victoria, became more acute, especially with respect to beef supplies, owing largely to the difficulties of acquiring pasture or feed.

During 1943 further efforts were made throughout the Commonwealth to increase interest in the possibilities of pig breeding and, as a result, the supply of pig meats, largely restricted to feeding American servicemen in the southwest Pacific areas, were considerably augmented. An interesting development during 1943 was widespread interest in the possibility of obtaining fresh breeding stock from Canada.

As of March 1943, the numbers of sheep, cattle, and pigs in the Commonwealth were 124,614,672, 14,005,-320 and 1,563,000 respectively as compared with 125,189,129, 13,560,754 and 1,477,303 in March, 1942, and 122,-694,025, 13,255,841 and 1,797,340 respectively in 1941.

Wool

As a result of a dry season in New South Wales, the wool clip for Australia during 1942-43 showed a decline as compared with other wartime seasons. The following table shows the number of bales sheared in Australia during recent years: 1937-38, 3,338,038 bales; 1938-39, 3,219,444 bales; 1939-40, 3,669,400 bales; 1940-41, 3,611,923 bales; 1941-42, 3,656,013 bales; 1942-43 (estimated), 3,483,000 bales.

Notwithstanding the reduced clip, the revenue from wool reached an all-time record. The improved return was due to a 15 per cent increase in the British Government contract price. The average price for the wool was 15·453d. per pound as compared with 13·4375d., the price which prevailed during the three previous years. Total returns from wool during recent years are as follows: 1939-40, £A65,096,483; 1940-41, £A60,959,849; 1941-42, £A63,126,096; 1942-43 (estimated), £A71,000,000.

The reduction in total production during 1942-43 was the first appreciable decline during the war, the decrease in the number of bales packed being about 6 per cent.

Despite the reduction in the quantity of wool clipped, the effect of a higher contract price permitted generally satisfactory financial returns to wool-growers. There was a general feeling that the advance in the contract price was justified by the advancing working costs to growers since the outbreak of war.

The Commonwealth Central Wool Committee, responsible for the appraisement of the clip and for the distribution of financial returns, continued to operate satisfactorily. The Committee employs only men experienced in the wool trade, who carry out all the duties attached to the handling of the wool clip, which has averaged in war times about 3,500,000 bales a year. The wool must be received into approved stores and weighed and catalogued in the correct order; samples must be displayed on the floor of the showrooms, appraisements must be made, and accounts of sales and cheques in payment must be made to growers. In addition these experts of the Central Wool Committee must attend to such complicated matters as final storage and shipment of the clip.

One of the features of the industrial development of Australia since the outbreak of war has been the increasing domestic consumption of wool. Production of woollen fabrics, coupled with reduced consumption as a result of clothes rationing, has reached a point where imports are no longer required. The major part of the production of fabrics from Australian woollen mills naturally is directed towards meeting the needs of the fighting forces of the Commonwealth and the Allied Countries. There are now ninety-five woollen mills in the Commonwealth, the majority, fifty-eight mills, being in Victoria. The number of mills in New South Wales has trebled during the past twenty years.

During 1943 considerable attention was given post-war problems. Study centred around the disposal of the accumulated war stocks of raw wool in Australia, the prospects for increased domestic production of woollen fabrics, and the practicability of widening markets to include Russia and China. Most consideration was probably given the question of competition from wool substitutes. It is felt that wool-growers can best help themselves by improving the qualities of their wools and by contributing generously to publicity and research, in order to extend the virtues and uses of wool and make them more widely known.

The opinion has been expressed that the fear of competition from substitute fibres is somewhat allayed by the results of investigations which seem to suggest that, despite the heavy increase in the production of rayon and similar synthetic fibres, the proportion of raw wool used by worsted and woollen mills has not varied greatly. This observation may have been true of the United States, but it was recognized that in Europe, especially Germany and Italy, the use of substitute fibres had made considerable headway.

ECONOMIC, TRADE AND PRODUCTION NOTES

New Zealand

TREND IN FARM PRODUCTION

Farm production in New Zealand in 1942-43 showed an increase in gross farming income of 2·5 per cent as compared with the previous year, but a decrease of 1·8 per cent in volume of output, according to estimates by the Government Statistician. The value of agricultural produce rose in the period to £12,000,000 from £10,600,000 for the previous year, pastoral produce rose to £39,700,000 from £37,600,000, and produce from dairying, poultry and bees, etc., declined from £35,100,000 to £33,900,000. The value of all farm produce increased from £83,300,000 to £85,600,000.

A return has been prepared showing the index numbers of value and volume (1938-39 equals 100). The figures for value and volume respectively for 1942-43, with those for 1941-42 within parentheses, are: agricultural produce, 146 (129) and 139 (128); pastoral produce, 132 (125) and 107 (107); produce from dairying, poultry, bees,

etc. 110 (114) and 102 (109); all farm produce, 124 (121) and 108 (110).

The agricultural produce group showed the greatest increase in 1942-43 both in value and volume. The increased yields of wheat, potatoes, onions, tobacco and linen flax, and the larger area devoted to market garden production were responsible for the volume increase, while these factors, together with higher wheat prices, accounted for the increased value.

The increased prices received for wool explains the greater part of the increase in the pastoral produce group. The rise in wool production and in slaughterings of cattle were offset by decreased killings of sheep, lambs and pigs, so that there was no movement in volume for the group as a whole.

The decline in butterfat production in 1942-43 is reflected in both value and volume of production for the dairying, poultry and honey group. A slight increase in butterfat prices and in the price of eggs saved the value for the group from reflecting to the full extent the lower volume.

MAIL SERVICE TO ITALY

The Post Office Department has announced that letters and packages prepaid at letter rate up to a weight limit of 2 pounds 3 ounces may now be accepted for places in Italy, including Sardinia and Sicily, and the Vatican City State, to which limited mail service is already in operation; also to the provinces of Ancona, Perugia, Arezzo, Siena, Livorno (Leghorn), Rieti, Pisa and Florence, to which the service has

now been extended. Registration is now available.

Letters and packages prepaid at letter rate may contain only written communications and related papers of a bulky nature. The restriction on business communications to those ascertaining facts and exchanging information still applies, and no merchandise of any kind may be included.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 107, effective January 1, 1945, Group 5 of Annex No. 1 to Export Permit Branch Order No. 103 of November 22, 1944, is amended with respect to

the exemption of machinery and parts, n.o.p., over \$25 in value, by excluding therefrom motorgraders and tractors (including equipment).

Accordingly export permits will be required for motorgraders and tractors (including equipment) when shipped from Canada to any destination.

Uruguay

NEW CONSULAR INVOICE

Mr. E. K. Talay, Consul of Uruguay in Montreal, advises that, effective February 9, 1945, a new form of consular invoice (*factura consular*) will be required for shipments to Uruguay. The new form will incorporate the certificate of origin and a separate form for the latter will no longer be required after that date.

Four copies of each consular invoice must be presented to the Consular Agent of Uruguay, at least one of which must be written in the Spanish language or be translated into Spanish by the Consular Agent. The fee for translation will be borne by the exporter. It is also required to present a copy of the commercial invoice to the Agent.

After checking consular invoices with the respective commercial invoices, bills of lading and manifests, the Consular Agent will legalize the copies written in the Spanish language and forward them under sealed cover to the Customs at the port of destination in care of the captain of the ship, together with the stamped bills of lading and cargo manifest.

Consular Agents shall see that consular invoices presented for legalization are a true copy of the respective commercial invoices and that they contain a specific description of all the goods, articles and products which are shipped to Uruguay, stating the quantity in units, dozens, metres, litres, etc. The goods, articles and products shall be declared with their proper denominations, in accordance with the sale effected by the exporter and the respective commercial invoice; and the destination, use or application of the merchandise, the material or materials entering into its composition and all other data that may assist in its identification shall be shown in every case.

When the specifications in the consular invoice do not conform to the procedure established in the preceding article, or are insufficient or incomplete, the Consular Agent shall attach the commercial invoice to the copy of the consular invoice intended for the

Customs at the port of destination, making a note to that effect on the latter document and adding the remarks he may deem to be expedient.

The same procedure shall be followed, in so far as it may be applicable, in the case of consignments by air or overland.

The second copy of the consular invoice shall be delivered to the captain of the ship; the third copy shall be forwarded under sealed cover to the Honorary Commission of Control of Exports and Imports; the fourth copy shall be filed at the Consulate.

In the event of cargoes proceeding from a port or inland place where there is no consular representative of the Republic, the exporters or shippers shall forward to the Customs at the port of destination, through the intermediary of the ship's captain, a commercial invoice containing the detailed specification of the merchandise, articles or products shipped. The captain shall deliver the said invoice to the Customs at the port of destination together with the other documents relating to the cargo. The goods cannot be cleared without this requirement.

The consular invoice is not required for: luggage and vehicles brought by passengers; war material, arms and ammunition for the use of the public forces and police, and their uniforms; public documents, bills, stamps and other official papers; parcels by post and samples, the commercial value of which at place of export does not exceed one hundred pesos Uruguayan currency or its equivalent in the currency of the country whence they are exported. When the value exceeds the established limit, the clearance shall be subject to the provisions of the regulations, and cannot be carried through until the matter is adjusted.

The Uruguayan Consul in Montreal advises that his Consulate is having the new forms printed and that they will be available to Canadian exporters at a nominal cost.

The fee for legalization of the consular invoice is 5 Uruguayan gold pesos which, at the rate of exchange of 2.10 gold pesos to the dollar, equals \$10.50 Canadian.

SUBSCRIPTION RATES

The *Commercial Intelligence Journal* is published in English and French and is issued every Saturday by the Department of Trade and Commerce.

Subscription prices for either edition are: \$1 per annum in Canada, single copies 5 cents each; \$3.50 per annum outside Canada, single copies 10 cents each.

Subscription orders should be addressed to the King's Printer, Government Printing Bureau, Ottawa, and remittances may be made by post office or express orders, or by drafts or cheques, payable at par in Ottawa.

Inquiries for back copies or additional copies should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JANUARY 2, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, January 2, 1945, and for the week ending Tuesday, December 26, 1944, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 26	Nominal Quotations in Montreal Week ending Jan. 2	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2758	.3304 .2756	3½
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½
Colombia	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	—
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½ —

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1944. (Price 25 cents.)

Canada Year Book. (Price \$2.00.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum), Weekly (Price \$1.00 per annum).

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

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2
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South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucom.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

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TABLE OF CONTENTS

	Page
United Kingdom Imports during the War	25
Economic Conditions in Australia during 1943: III. Industry	29
Newfoundland Herring Barrels.....	30
Mail Service to Belgium.....	31
Sanatorium to be Built in Trinidad ..	32
Control of Imports into the United States	32
World Wheat Situation.....	34
Economic, Trade and Production Notes	35
Canada's External Trade in November.	39
Business Travel to France.....	42
Trade Regulations and Tariff Changes: Bermuda: Import Restrictions Relaxed	43
Ireland: Quotas for Footwear, Ladies' Felt Hats, Metal Screws, Motor Cars and Parts.....	43
Mexico: Health Registration Fees.	44
Foreign Exchange Quotations.....	45
Condensed List of Publications.....	46
Commercial Intelligence Journal.....	47

UNITED KINGDOM IMPORTS DURING THE WAR

By J. A. Langley, Canadian Trade Commissioner at London

Preliminary information relative to imports into the United Kingdom during the war is published for the first time in the official White Paper "Statistics Relating to the War Effort of the United Kingdom," recently re-

leased. The principal figures are summarized in Table I showing the value of United Kingdom imports and re-exports from 1938 to 1943 and the volume of retained imports. The figures include all imports by government

TABLE I
United Kingdom Imports and Re-Exports

Imports from:	1938	1939	1940	1941	1942	1943
	Values in £ Million					
British countries	371.5	358.1	548.5	515.0	482.1	556.9
United States	118.0	117.3	275.3	409.0	535.5	1,099.7
Other foreign countries ...	430.0	410.1	328.3	221.1	188.0	218.1
Total imports	919.5	885.5	1,152.1	1,145.1	1,205.6	1,874.7
Total, excluding munitions*	...	...	...	...	1,003.1	1,216.8
Total re-exports	61.5	46.0	26.0	12.7	10.7	10.1
Total, excluding munitions*	...	...	...	...	4.6	5.4
Retained imports revalued at 1935 prices:						
Total	761.3	737.3	716.7	630.8	641.5	898.4
Total, excluding munitions*	...	...	...	...	544.8	598.2
Index number (1938=100):						
Total	100	97	.94	83	84	118
Total, excluding munitions.	...	...	...	...	72	79

* Imports or re-exports by government departments of aircraft and other vehicles (except tires and tubes for road vehicles), and arms, ammunition and military and naval stores.

departments, including those under lend-lease, but exclude goods imported into this country on United States Government account.

The most noteworthy feature of Table I is the rise in imports from the United States, particularly in 1943 when the value was more than double that for 1942. As a proportion of total imports they have represented in successive years 13, 13, 24, 36, 44 and 59 per cent. Imports of munitions, first recorded separately in 1942, rose substantially in 1943. A comparison of the rise in imports of munitions with that of £564,000,000 in imports from the United States indicates that imports from that country of essential supplies other than munitions were substantially greater last year than in 1942. Unfortunately no separate indication is given of imports from Canada, but it is known that the Dominion has also made an important contribution of munitions.

Supplies from British countries overseas rose markedly in value in 1940, with possibly some increase in volume. The value for last year was about the same as for 1940, following reductions in both 1941 and 1942, although, of course, the volume was much less.

About half of the re-exports in the past two years have been munitions. Excluding these, re-export trade, which was very largely with the continent of Europe, has shrunk to less than one-tenth of the pre-war figure, even by value.

The volume of retained imports was lowest in 1941, when it was 17 per cent below that for 1938. There was a slight increase in 1942, as a result doubtless of the rising tide of imports of munitions, which by 1943 represented about one-third of the total. The volume of non-munition imports last year was 21 per cent below the pre-war figure. A comparison with the tonnage figures is of interest.

TABLE II

Imports of Dry Cargo into the United Kingdom (excluding Imports from Eire)

	Food	Raw Materials	etc., inc. Tobacco	Finished Goods, Munitions, etc., inc.	Total
		Millions of Tons			
1934-38 average	22.0	26.0	7.0	55.0	
1940	18.8	21.5	1.0	41.3	
1941	14.7	15.0	0.8	30.5	
1942	10.6	11.5	0.8	22.9	
1943	11.5	12.8	2.0	26.4	
1944 (January to June)	5.4	6.1	1.3	12.8	

In 1938 imports from countries in Europe which later became enemy or enemy-occupied amounted to £221,000,000 out of the total of £430,000,000. The value of imports from foreign countries not in enemy occupation was only 7 per cent higher in 1941 than before the war, implying a considerable fall in volume. The loss of sources of supply in the Far East accounted partially for the fall in 1942. The recovery in 1943 was probably due in some part to a rise in volume, but by then the available trading area has been enlarged by the liberation of North Africa.

Excluding petroleum, whale oil, molasses and other goods carried in tankers (imports of which were some 10,000,000 tons a year before the war), the weight of munitions and finished goods imported last year was under 2,000,000 tons out of a total of over 26,000,000 tons, although munitions represented about one-third of the total (including petroleum, etc.) by both value and volume.

In view of shortage of shipping, it has been important during the war to keep down the weight of imports to a minimum. In the five years before the war, imports (excluding petroleum

and other tanker-borne products) averaged 55,000,000 tons a year, in 1942 they had fallen to 23,000,000 tons, and in 1943 were 26,000,000 tons—less than half what they were before the war. Imports of both food and raw materials were cut by one-half, and imports of finished goods were confined almost exclusively to munitions.

Between 1938 and 1943 there was an increase of two-fifths in the declared value of retained imports, but since wartime imports were generally much more expensive than in 1938, both because of the rise in prices and because of the elimination of low-valued bulky materials, there was a reduction of one-fifth in the volume of retained imports, allowing for these changes in average values.

The divergence between the fall from the pre-war average of 55,000,000 tons of dry cargo to about 25,000,000 (excluding munitions) in 1943 and the reduction between 1938 and 1943 of only 21 per cent in the volume of retained imports, excluding munitions, is remarkable, even if allowance is made for a great increase in imports of petroleum.

The maintenance of a high volume of imports (as a measure of the essential content) relative to the tonnage imported has been accomplished in various ways: (1) by a drastic cut in imports of bulky commodities of low average value, e.g. animal feeding-stuffs, timber, iron ore, and scrap, and wood-pulp (for making paper); (2)

by the substitution of more finished goods for raw materials or semi-manufactures, e.g. semi-finished steel for iron ore, aluminium for bauxite; and (3) by the elimination of the water and unnecessary parts of normal imports, e.g. dried eggs instead of fresh eggs, concentrated fruit juices instead of fresh fruit, more meat imported without the bone.

Imports of Food

Table III sets out the cuts made in imports of food and animal feeding-stuffs into the United Kingdom during the war.

Imports of wheat and flour have been reduced by 1,500,000 tons a year. A substantial cut has been made in the amount of sugar brought in, and imports of fruit and vegetables in 1943 were only one-eighth of their pre-war level. The most striking economies have been achieved in the case of animal feeding-stuffs. Imports of maize and maize meal and certain other animal feeding-stuffs have dropped from an average of 5·1 million tons a year before the war to insignificant quantities in 1943. This does not take into account a similar fall in the imports of barley, oats, and other grains, and the by-products of imported materials used in substantial quantities for feeding animals. On the other hand, every effort has been made to maintain imports of oilseeds and fats (for the manufacture of margarine

TABLE III

*Imports of Food and Animal Feeding-Stuffs into the United Kingdom
(excluding Imports from Eire)*

	Av. 1934-38	1940	1941	1942	1943	Jan.-June, 1944
			Thousands of Tons			
Wheat and flour	5,451	6,331	6,099	3,864	3,975	1,747
Rice, other grains and pulses	1,524	1,095	514	164	258	60
Maize and maize meal	3,395	2,192	702	135	66	24
Other animal feeding-stuffs	1,719	1,058	325	74	12	12
Meat (including bacon)	1,423	1,298	1,203	1,301	1,358	848
Canned meat	63	116	230	282	300	107
Oilseeds, oils and fats	1,783	1,974	1,948	1,905	2,154	1,001
Sugar	2,168	1,526	1,658	773	1,458	497
Dairy produce	889	606	665	789	655	289
Fruit and vegetables	2,604	1,484	462	457	327	368
Beverages and other foods..	1,007	1,154	847	862	963	441
Total	22,026	18,834	14,654	10,606	11,525	5,394

and compound lard) to offset the fall in supplies of butter, and of meat to replace the reduced home production.

Imports of Raw Materials

Imports of raw and industrial materials are set forth in Table IV.

est economy in shipping was obtained by reducing imports of iron ore and scrap while importing more finished and semi-finished steel.

Imports of timber were cut drastically from an average of 9,500,000 tons before the war to about 4,000,000 tons

TABLE IV

*Imports of Raw and Industrial Materials into the United Kingdom
(excluding Imports from Eire)*

	Av. 1935-38	1939	1940	1941	1942	1943
	Thousands of Tons					
Iron ore*	5,619	5,240	4,549	2,283	1,922	1,895
Pig iron	341	354	676	971	356	361
Scrap steel	778	605	937	549	15	5
Steel ingots	17	24	488	562	480	499
Semi-finished steel†	462	807	1,595	1,802	1,214	1,063
Finished steel	561	517	811	698	382	737
Bauxite	224	302	112	87	48	244
Aluminium	29	58	66	138	136	212
Unwrought copper‡	262	307	474	451	441	494
Hardwood	1,126	836	683	365	300	307
Softwood	5,848	4,255	2,353	1,253	841	1,329
Pitwood	2,688	1,607	1,090	189	31	72
Wood-pulp	1,650	1,611	634	346	450	390
Newsprint	424	423	239	122	67	95
Other paper and board	730	706	440	72	79	48
Raw cotton‡	608	552	633	364	526	440
Sheep's and lambs' wool‡	272	314	449	147	184	119
Jute‡	162	142	200	95	108	104
Rubber (crude and synthetic) ..	83‡	65‡	203	173	65	78
Tobacco	127	95	63	96	118	159

* Average ferrous content 50 to 60 per cent.

† Blooms, billets, slabs, sheet bars and tinplate bars.

‡ Retained imports.

Before the war, imports of these categories of goods averaged 26,000,000 tons a year. Of this total, nearly 17,500,000 tons consisted of steel and steel-making materials and timber. Economies in imports necessitated by the shipping situation during the war have had to be made mainly in these two groups of materials.

Imports of steel and steel-making materials as a whole were maintained in the first two years of the war to meet the expanding requirements of the munitions industries, but by 1943 they had been cut to about 3,000,000 tons below their pre-war level. The great-

in 1940. As the shipping position deteriorated, imports of timber were reduced still further to less than 2,000,000 tons.

Substantial cuts were made in imports of wood-pulp, newsprint and paper, while imports of raw materials for the textile industries also declined. On the other hand, imports of aluminium for aircraft and copper for munitions were substantially increased. Imports of tobacco, which in 1940 were only half the pre-war figure, rose subsequently to more than in any earlier year.

ECONOMIC CONDITIONS IN AUSTRALIA DURING 1943

By FREDERICK PALMER, *former Canadian Trade Commissioner at Melbourne**

III. Industry

Industrial production of war goods reached its peak in Australia during 1943, as in most other countries. Towards the end of the year it was announced that it had been found possible to discharge 12,000 men and 6,000 women from government munition factories and annexes.

It may be useful at this point to review briefly the wartime history of industry in Australia and the successes which have been achieved.

In 1940 a program of building munition plants was undertaken by the Government. In 1942, after the entry of Japan into the war, construction was accelerated. The munitions plant construction program cost Australia £A22,160,332, distributed among twenty-eight localities throughout the Commonwealth. By the end of June, 1943, a total of 3,702 plants, covering 13,200 acres, had been built. The projects undertaken ranged from a fuse factory in New South Wales costing £A31,343 to an explosives factory and magazine depot in South Australia which cost £A6,500,000.

During this war Australia has undertaken the manufacture of items the production of which would not have been contemplated for many years in ordinary circumstances. As the demand for the materials of war reached unprecedented heights, it was found necessary, as in Canada, to limit the production of civilian goods in order to increase production of goods for military purposes.

Under the Commonwealth Department of War Organization of Industry the following changes in production were effected: a department store is

making aircraft reconnaissance flares; a gas company is making machine-gun carriers; a railway department is assembling tanks; a structural steel company is making bombs; an agricultural implement firm is making mortars; a garage, a neon sign company and a leather-goods company are all assembling and painting tin hats; a sugar company is making shells and synthetic Vitamin C; a tobacco company is making fuses; a confectionery works is dehydrating vegetables; a motor-body works is making anti-tank guns; a firm which made car handles and other fittings is making sub-machine guns; universities are making optical instruments; a glass company is making shells; a firm which made dredges and other heavy machinery is making field guns; and a can company is making land mines.

Before the war it was estimated that there were more than 500,000 persons gainfully employed in factories making civilian goods. By the middle of 1943 it is doubtful if more than 200,000 were producing goods for civilian consumption. A total of 300,000 employees had been diverted to the production of military supplies. However, the implementing of the munitions program required the enlistment of a further 200,000 to manufacture munitions, aircraft, and other war supplies. Australia's wartime industry is about as large as its normal industry in peace time.

The war has brought about great developments in every field of Australian manufacturing industry. Aircraft construction has risen from virtually nothing to a position of outstanding importance. Machine-tool production has reached a standard and status regarded as impossible only a few years ago. Australian engineering plants have produced, on the one hand, machines of giant proportions and, on

*Since writing this report Mr. Palmer has returned to Canada preliminary to transfer to a new post. He has been succeeded by F. W. Fraser, who has been Canadian Trade Commissioner at Kingston, Jamaica, for a number of years.

the other, precision instruments of great delicacy. Australian textile mills have woven fabrics of innumerable designs in an unusual range of products.

Australian food-processing enterprises have demonstrated their capacity efficiently to meet the needs of a nation at war, including those of its civilians, of its armed forces, and also of a considerable proportion of the Allied fighting forces operating in Southeastern Asia and the southwest Pacific. The progress made in the foregoing groups of industries has been noteworthy, but it is doubtful if anywhere has greater or more marked progress been made than in the field of chemical manufacture.

The contribution Australian manufacturers are now making to the war effort of the United Nations is sufficient evidence to show not only that secondary industries are now of major importance in the economy of the Commonwealth, but also that the process of industrialization in Australia has reached an advanced stage. In the sense that a greater proportion of those gainfully employed is engaged in manufacturing industries than in rural industries, Australia to-day can be considered one of the more highly industrialized countries of the world. The annual value of the production of Australian manufacturing industries now exceeds the value of primary products.

NEWFOUNDLAND HERRING BARRELS

By R. P. BOWER, *Canadian Trade Commissioner at St. John's*

The Chairman of the Newfoundland Fisheries Board announced over the radio December 28 that a contract had recently been signed between the United Nations Relief and Rehabilitation Administration and the Newfoundland Fisheries Board, under which the former will purchase 100,000 barrels of Newfoundland hard-cured split herring.

The herring may be packed either headless or with heads on, although none of the grade known as "dressed" will be acceptable, and are to be packed in barrels of 200, 225 or 250 pounds net weight of fish. The price to be paid is 7 cents per pound United States funds, f.a.s. export vessel. It was further intimated that an additional 20,000 barrels would be purchased for another buyer on a similar contract. The fish in both instances is to be sold prior to June 15, 1945.

In normal times the bulk of the barrels used are of local manufacture. During the twelve months ended March 31, 1944, only 81 herring barrels were imported, all from Canada. For the fiscal year 1940-41 only one barrel was imported. It is possible that, due to the size of the current contract, difficulty will be experienced in locating

sufficient barrels for packing. The Board has therefore arranged that, in addition to the customary use of new barrels, thoroughly clean beef and pork barrels in good condition may be used. In such cases packers are responsible for seeing that the barrels are properly treated before packing in accordance with the Fisheries Board regulations.

It has also been suggested that the current duty on imported barrels of 45 cents may have to be removed to allow imports to help meet the demand. In such an event a fair quantity of Canadian barrels would be required.

Specifications for Barrels

The specifications for herring barrels insisted upon by the Fisheries Board, Newfoundland, are as follows:

Staves.—The staves of every barrel when completed, should be not less than three-quarters of an inch thick, if square sawn, and not less than eleven-sixteenths of an inch thick, if cylinder sawn. The heading shall be not less than seven-eighths of an inch thick. The staves of every barrel shall not exceed five inches in width at the bilge; the staves of half-barrels shall not exceed four inches in width at the

bilge. The staves of every half-barrel, when completed, shall not be less than five-eighths of an inch thick and the heading not less than three-quarters of an inch thick. (Staves and heading must be cut one-sixteenth of an inch thicker than this regulation requires, in order that they may be of the required thickness when dried and made up into a barrel). No cracked, broken or patched staves, heads or bottoms shall be used. All heads and bottoms must be planed on the outside. The staves when joined should be one-half of an inch wider at the bilge than at the ends.

Hoops.—Every barrel or half-barrel used for containers for scotch-cure, headless split or dressed herring shall be hooped with new black or galvanized iron hoops.

(a) Barrels shall be fitted with: *either* four hoops each not less than two inches wide of wire gauge No. 16, flat or concave; *or* six hoops, the two chime hoops to be not less than two inches wide, the two quarter hoops to be not less than one and one-quarter inches wide, and the two bilge hoops to be not less than one and one-half inches wide, all No. 16 gauge, flat or concave. When four hoops are used, the bilge hoops shall be ten inches from the end when driven. When six hoops are used, the quarter hoops shall be three inches from the end, and the bilge hoops ten inches from the end when driven.

(NOTE: Six hoops are advisable with square-sawn staves).

(b) Half barrels shall be fitted with: *either* four hoops, each not less than one and one-half inches wide No. 17 gauge; *or* six hoops, the two chime hoops to be not less than one and one-half inch wide, the two quarter hoops and the two bilge hoops not less than one and one-quarter inch wide, all No. 17 gauge.

Every barrel or half-barrel used as containers for split herring shall be hooped either entirely with iron hoops, or partly with iron hoops and partly with wooden hoops. Unless otherwise permitted in writing by the Board, all hoops must be new, and iron hoops may be either black or galvanized.

(a) If hooped entirely with iron hoops, on a barrel there shall be: *either* four hoops, each not less than one and three-quarter inch wide, of wire gauge No. 16 if of black iron and No. 17 if of galvanized iron; *or* six hoops, the two chime hoops to be not less than one and one-half inch wide and the two quarter and the two bilge hoops not less than one and one-quarter inch wide of No. 18 gauge.

(b) If hooped partly with iron hoops and partly with wooden hoops, on a barrel there shall be: one iron hoop on each end of not less than one and three-quarter inch wide, of wire gauge No. 16 if of black iron and No. 17 if of galvanized iron, and not less than three good wooden hoops on each quarter. For a half-barrel there shall be: one iron hoop on each end of not less than one and one-half inch wide, of wire gauge No. 17 if of black iron and No. 18 if of galvanized iron, and three good wooden hoops on each quarter.

(c) The wooden hoops on every barrel and half-barrel shall be of sound hardwood and shall be not less than three-quarter inch for barrels and five-eighth inch for half-barrels. Each hoop shall be properly notched, perfectly fitted and firmly driven into its place.

No variation in these specifications is permitted. It is therefore useless to offer substitute containers.

Interested exporters desiring to ship to Newfoundland should submit offers to the Canadian Trade Commissioner's office, Circular Road, St. John's, Newfoundland, so that these will be available at the time required.

MAIL SERVICE TO BELGIUM

The Post Office Department has announced that the postal service to Belgium has now been extended to include private and business letters not exceeding one ounce in weight. Business letters will be restricted until further notice to those ascertaining

facts and exchanging information. Correspondence for areas in which delivery is not at present undertaken will be held by the Belgian Post Office until delivery is possible. No registration, air mail, money order or parcel post service is yet available.

SANATORIUM TO BE BUILT IN TRINIDAD

By G. A. NEWMAN, *Canadian Trade Commissioner at Port of Spain*

Plans have been announced for the construction of a 258-bed tuberculosis sanatorium in Trinidad, to be begun in January, 1945.

The sanatorium, which will cost when completed over \$1,000,000, will contain up-to-date facilities, which will be approved by Messrs. W. H. Watkins & Partners, F/F.R.I.B.A., architects, Port of Spain, Trinidad.

Mr. A. S. Gray, F.R.I.B.A., of the above firm has asked that all Canadian firms interested in supplying materials and equipment for the construction and the fitting of the sanatorium, arrange for their agents to submit catalogues and other data to him for consideration. It is preferable that submissions be made through agents rather than direct, as this will greatly facilitate arrangements in placing orders.

A rough guide to the type of materials and equipment required may be gained from the following outline of the facilities which are to be provided.

The building is to be two stories high, constructed of locally-made concrete hollow tiles and roofed with asbestos-cement pantiles.

Each ward unit will consist of 32 beds, made up of a general ward of 18 beds divided into bays of six beds each, and four-bed, two-bed and one-bed wards, each pair of which will have its own bathroom. To each ward unit there will be attached a ward kitchen, dining-room, and ancillary surgery.

The private ward wing will have 36 beds, in one-, two-, and four-bed wards, each pair being provided with a bathroom.

In addition to a surgical unit, there will be an X-ray department, dispensary, laboratory, dental room, staff room, institution offices, stores and kitchen.

A nurses hostel for 60 nurses will be built and fitted with standard dining and recreation facilities. Each nurse will have a bedroom, wardrobe and running water.

In another block there will be the laundry, mortuary, post-mortem room, and carpenters' shop.

Houses for a resident doctor and assistant, a resident matron and assistant, and a building containing seven self-contained flats with common dining-room and kitchen will also be constructed.

The actual building of the hospital has been placed under contract, but the architects will approve of material used and will also be responsible for the type of fittings installed.

It is desirable that all interested Canadian firms communicate with their agents immediately. In this connection it may be noted that the architects have expressed the wish that the sanatorium be constructed from commercial sources as far as possible.

It is understood that the medical equipment will be obtained through the Director of Medical Services, Port of Spain, Trinidad.

CONTROL OF IMPORTS INTO THE UNITED STATES

By L. H. AUSMAN, *Assistant Trade Commissioner at New York*

The War Production Board and the War Food Administration have made certain adjustments in the regulations governing the control of imports into the United States which will be of interest to Canadian exporters.

Effective November 13, in continuation of their policy to ease restrictions whenever possible, the War Production

Board announced the removal from control under W.P.B. Order M-63 of 53 commodities. In addition, a few items were transferred from List I to List II, thus eliminating the necessity of obtaining authorization for the disposal of such commodities when imported.

At the same time other adjustments were made in the general import regulations, of which the following will be of special interest to Canada.

Foods from Canada Restricted

The authorization to import food products into the United States and certain of its territories is transferred from the War Production Board to the War Food Administration. Using the pattern of the M-63 Order, the latter administration has issued WFO-63 under which authorization to import must be obtained for those items still subject to control.

The following are the only foods on the list which now require authorization when imported overland, by air or inland waterway into the United States from Canada, Mexico, Guatemala and El Salvador:

Fish—

Cod, haddock, hake, pollock, and cusk, neither skinned nor boned (except that vertebral column may be removed):

- (a) Containing not more than 43 per cent moisture by weight.
- (b) Containing more than 43 per cent moisture by weight.

Cod, haddock, hake, pollock, and cusk, skinned and boned. Herring (including sprats, pilchards, and anchovies):

- (a) In containers (not airtight), weighing, with contents, not more than 15 pounds each.
- (b) In bulk or in containers, weighing, with contents, more than 15 pounds each:
 - (i) In containers containing each not more than 10 pounds of herring.
 - (ii) In containers containing each more than 10 pounds of herring: if known commercially as full herring, valued 6 cents or more per pound, beheaded and eviscerated, but not further advanced (except fins may be removed); if known commercially as split herring; other.

Alewives in bulk or in containers weighing, with contents, more than 15 pounds each.

Pickled or salted, not specially provided for:

- (a) In bulk or in containers weighing, with contents, more than 15 pounds each.
- (b) In containers (not airtight) weighing, with contents, not more than 15 pounds each.

Oil Cake and Oil-Cake Meal—

Coconut or copra.

Soybean.

Cottonseed.

Linseed.

Peanut.

Hempseed.

Other, not specially provided for.

Vegetable Oils—

Sunflower oil, edible.

Peanut (ground) oil.

Sesame oil (edible).

Oil Seeds—

Flaxseed (linseed).

Sesame seed.

Sunflower seed.

Inedible Oils for Mechanical or Manufacturing Purposes—

Rapeseed (colza) oil (denatured or not).

Sunflower oil (denatured).

Sesame oil.

Miscellaneous—

Chickpeas or garbanzos, dry, ripe.

Peanuts, shelled or unshelled.

Coffee, raw or green, roasted or processed.

Molasses and sugar syrups and extracts.

Chicle, crude, refined or advanced.

Puerto Rico and the Virgin Islands

The complete list of foods included in Order WFO-63 require authorizations when shipments originate in a foreign country and simply pass through the continental United States en route to Puerto Rico and the Virgin Islands. A more restricted list is subject to the order when shipped direct to these territories from foreign countries. Foods originating in the United States are not subject to the restrictions imposed by the order.

Shipments from Canada, Mexico, Guatemala and El Salvador

Supplemental General Imports Order M-63a covering the importation of certain articles from Canada, Mexico, Guatemala and El Salvador is revoked, but the provisions of this order are incorporated into both the new W.F.A. Order WFO-63 and the revised W.P.B. Order M-63.

For further information Canadian exporters should apply to the Director, Import Section, Shipping Priorities Committee, Department of Trade and Commerce, Ottawa.

WORLD WHEAT SITUATION

From the *Dominion Bureau of Statistics Daily Bulletin*

The wheat harvest is now being completed in both Australia and Argentina, with production estimated at well below average in both countries. The first official estimate of the Argentine crop is 166.7 million bushels as compared with an average crop of 240 million bushels for the ten-year period 1932-41. Australia's new crop is still estimated at 50 million bushels as compared with the 1932-41 average of 162 million bushels. The combined contribution of these two Southern Hemisphere countries to the world's wheat supply is, therefore, little more than 50 per cent of average.

Since Argentina will carry over approximately 150 million bushels of unsold wheat into the new crop year, her total available supplies in 1945 will approximate 315 million bushels. If allowance is made for a domestic consumption of 110 million bushels for seed, feed and food in 1944-45, Argentina will still possess over 200 million bushels for export in this new crop year or carryover at November 30, 1945.

Wheat exports from Argentina during the war years have ranged from 72 to 134 million bushels. In the crop year ending November 30, 1944, export shipments totalled about 92 million bushels. In addition to the exportable surplus of 200 million bushels, there remains in Argentina some 30 million bushels under contract to Spain. Thus, it appears likely that there will be a substantial carryover in this South American country at November 30, 1945. This situation may be modified, however, if the progress of the war should make more shipping available. The foregoing analysis, moreover, leaves out of account the possible use of wheat for fuel in 1945. Short of coal and petroleum,

Argentina burned over 50 million bushels of wheat in 1943-44.

Rather than adding to the world's exportable surplus, Australia has this year produced little more than half of her own domestic needs. In the light of requirements for the armed forces in the southwest Pacific and the high rate of disappearance of wheat into domestic feed channels, government officials in Australia have stated that it may be necessary to import wheat in the coming year. The removal of acreage restrictions in Australia in 1945 under these circumstances would not be surprising.

Decreasing stockpiles of wheat in the Southern Hemisphere are offset by continued large supplies in North America. United States wheat supplies appear sufficient to permit of exporting up to 100 million bushels in the current crop year. Canada's stockpile of wheat, over and above domestic requirements, exceeded 550 million bushels at December 1.

With this supply picture as background, members of the Dominion-Provincial Agricultural Conference, meeting in Ottawa during the first week in December, recommended that wheat acreage in Canada be reduced to 21.5 million acres in 1945. It was felt that an increase in coarse-grain acreage to provide feed reserves for the present large live-stock population was desirable. Emphasis was also placed upon the desirability of maintaining summer-fallow acreage in the Prairie Provinces as a measure of protection against low yields during the following year. Although agricultural leaders are desirous that Canada should be in a position to meet any demands for wheat which may be made upon her, they do not wish to see this country carrying a burdensome surplus over into the post-war period.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

MEAT PRODUCTION

The present production of meat in Australia exceeds all previous records, reports K. F. Noble, Acting Canadian Trade Commissioner at Sydney. The output of all classes of meat this year is estimated at 1,035,000 tons, which will be 35,000 tons above the target, and about 35 per cent above the pre-war peak of 992,000 tons in 1937-38.

It is estimated by the Commonwealth Meat Control authorities that, after the needs of the Australian forces and civilians have been met, about 336,000 tons will be delivered for the British Ministry of Food, British forces overseas, the Admiralty and the United States forces in the Pacific. This figure more or less represents the exportable surplus of meat and compares with the peak year's exports of 260,000 tons just before the war. Taking the present estimate as a basis, the British authorities should receive 178,000 tons of meat, or about 53 per cent of the 336,000 tons.

EXPORTS FOR 1943-44

In Australia's civil merchandise trade for 1943-44 there was a small excess of exports, according to statistics issued by the Commonwealth Bureau of Census and Statistics. Exports totalled A£99,687,000 and imports A£98,133,000, leaving a balance of A£1,554,000.

"Civil imports" exclude all goods admitted free for the use of the Commonwealth Government, and equipment and other goods imported for Allied Troops. "Civil exports" exclude all goods shipped overseas on behalf of the Commonwealth Government, but include goods shipped under commodity contracts with the British Government.

Imports (values shown in sterling) include the following: foodstuffs of vegetable origin, £4,164,043; tobacco

and its preparations, £4,218,790; vegetable substances and fibres, £4,526,443; apparel, textiles, and manufactured fibres, £18,987,956; machines and machinery, £5,288,220; paper and stationery, £3,417,811; optical, surgical and scientific instruments, £1,240,528; drugs, chemicals and fertilizers, £4,228,456.

Exports (values shown in Australian currency) include: foodstuffs of animal origin, £15,934,082; foodstuffs of vegetable origin, £16,173,697; spirituous and alcoholic liquors, £1,272,260; animal substances (mainly manufactured, not foodstuffs), £48,103,858 (including greasy wool, £31,782,284, and scoured wool and tops, £9,535,074); minerals, including ores and concentrates, £2,447,249.

WOOL PURCHASE PLAN

The British Government has agreed to extend the wool-purchase agreement with Australia until one wool year after the end of the war with Japan.

The appraisement system is favoured by growers for continuation after the war. Since the wool-acquisition scheme was inaugurated in 1939 to June 30, 1944, there were 17,880,000 bales appraised with a value of £336,748,000.

Exports of wool from Australia for the three months ended September 30 were 307,972 bales of greasy wool valued at £6,520,000, representing a decrease of 78,074 bales from the figures for the corresponding period of 1943, and 82,062 bales of scoured tops, noils and waste valued at £2,655,000, a decrease of 13,506 bales.

REVISION OF SHIPBUILDING SCHEDULE

The Australian merchant shipbuilding program has been revised, the main provisions being as follows:—

1. Continuation of work on standard merchant vessels of 9,000 tons dead-weight.

2. Continuation of work on freighters of 4,000 tons deadweight.
3. The target of freighters of 2,500 tons deadweight to be increased five times.
4. Immediate construction of freighters of 550 tons deadweight for intra-state trade.
5. Investigation of proposals for the construction of freighters in other intermediate and small classes to be made in relation to the requirements of the armed services and coastal shipping.
6. Investigation of provision of refrigeration cargo space in some vessels to be made and authorized on advice from the Department of Supply and Shipping.

The principal aim is to provide additional small ships.

It is stated that the monthly amount of merchant shipping repaired is a steady average of about 1,250,000 tons, with approximately the same amount of manpower and shipyard capacity involved in repairs to Australian and Allied naval vessels.

Bolivia

TRADE IN 1943

Preliminary returns released recently by the Bolivian Department of Statistics indicate that Bolivian total imports in 1943 amounted to 329,260 metric tons valued at U.S.\$39,183,524, and that exports totalled 225,928 metric tons valued at U.S.\$81,600,273, leaving a favourable trade balance of U.S.\$42,416,749, writes M. J. Vechsler, Canadian Commercial Attaché at Santiago.

The returns show quantities and values of exports and imports by commodity groups as follows:—

Exports.—Live animals, 2,161,300 kilos, U.S.\$104,874; foodstuffs and beverages, 8,290 kilos, U.S.\$1,082; prime materials, 223,076,915 kilos, U.S.\$78,030,566; manufactured goods, 453,816

kilos, U.S.\$195,362; gold and silver unmanufactured, 227,181 kilos, U.S.\$3,-268,399.

Imports.—Live animals, 26,443,529 kilos, U.S.\$2,683,411; foodstuffs and beverages, 121,477,238 kilos, U.S.\$7,-545,118; prime materials, 133,054,907 kilos, U.S.\$5,607,468; manufactured goods, 48,283,930 kilos, U.S.\$23,347,527.

An analysis of the foregoing figures shows that manufactured goods made up 59·58 per cent by value of all imports; foodstuffs and beverages, 19·26 per cent; prime materials, 14·31 per cent; and live animals, 6·85 per cent. Prime materials accounted for 95·63 per cent by value of total Bolivian exports, practically all being minerals, while unmanufactured gold and silver comprised 4·01 per cent.

Chile

ESTIMATE OF CEREAL SOWINGS, 1944-45

An increase of 29,616 hectares over the previous season in the total area sown to cereals is indicated in the first estimate of the current season's cereal sowings released by the Agricultural Section of the Chilean Department of Statistics, writes M. J. Vechsler, Canadian Commercial Attaché at Santiago. The estimate shows an increase of 12,167 hectares in wheat sowings, 3,596 hectares in barley, 11,899 hectares in oats, and 1,414 hectares in rye. (One hectare equals 2·471 acres.)

The figures of this estimate for the various grains, with figures for 1943-44 and 1942-43 within parentheses, are as follows: wheat, 802,454 hectares (790,-287 and 750,598); barley, 51,004 hectares (47,408 and 46,524); oats, 117,137 hectares (105,238 and 87,503); rye, 10,-690 hectares (9,276 and 9,144); birdseed (Alpiste), 807 hectares (267 and 304); total, 982,092 hectares (952,476 and 894,703). In terms of percentages, the estimate shows the following increases over the 1943 and 1942 seasons respectively: wheat, 1·5 and 6·9; barley, 7·6 and 9·6; oats, 11·3 and 33·9; rye, 15·2 and 16·9; birdseed, 202·2 and 165·5; total, 3·1 and 9·6.

India

BUSINESS TRENDS

An index number of business activity in India, compiled up to June, 1944, stood at 117·7 for that month as compared with 117·4 for May, 114·8 for April, and 122·8 for March. The increase is attributed to increased cotton consumption and accelerated bank clearings and stock market operations, which counteracted decreases in paper production, coal raisings, and rail and river traffic.

Another compilation of stock and share prices shows a combined index number for September, 1944, of 228·1 as compared with the base of 100 for August, 1939. Paper, sugar, coal, cotton, metal, tea, cement, and jute-mill shares are all above the 200 mark, with paper and sugar standing at 391·7 and 288·4 respectively. There has been a marked downward trend in these prices during recent months, which has been ascribed in some quarters to the favourable trend in the war situation.

IMPORT CONTROL

A statement by the Chief Controller of Imports contains several interesting references to the subject of relaxation of import control regulations. Future policy will, for one thing, be based less on the conservation of dollar exchange and of shipping space than on the satisfaction of demand for numerous consumer goods and the prevention of inflation. The Government will also permit a reversion of import trade to its normal channels wherever possible. The quota system may be considerably modified with respect to validity and extensions. Another important factor in such policy is the provision of all possible assistance to industry in obtaining essential equipment and raw materials.

Various evidences of such relaxation in these regulations are already apparent. These apply particularly to imports from the United Kingdom and other sterling areas, but several branches of Canadian trade have

already benefited, and the business has either been resumed or expanded.

REGISTRATION OF BRITISH WOMEN

The Indian Government has issued details of a scheme under which all British women between the ages of 18 and 50, with few exceptions, are required to register with designated authorities, giving details of their families, dependents, trade or professional experience, etc. The scheme is apparently designed to encourage British women who are not at present engaged in war work or similarly essential occupations to devote as much of their time as possible to such activities.

FOOD POSITION

The food position throughout the country continues to give concern to the Central and Provincial Governments. The problems of production and imports are complicated by the serious obstacles involved in transportation and distribution. Rationing is being extended to many parts of the country which have not to date been subject to such regulations. The shortage of foods, which has been most marked in the case of grains, poultry, and potatoes, now threatens to extend to milk and various other essentials.

The various "grow more food" campaigns designed to alleviate the situation in deficit areas are not believed to have proved effective so far, although the efforts of military farm units to lessen the drain on civilian supplies are understood to have produced substantial results.

MACHINE-TOOL PRODUCTION

A mission of machine-tool experts from the United Kingdom has been visiting India. Among its duties are the provision of recommendations to the United Kingdom Government regarding the production and use of machine tools in India, the outlook for increased output of such goods in local establishments, and presumably, the opportunities which may be available to United Kingdom machine-tool man-

ufacturers of co-operating with local interests in the expansion and improvement of this Indian industry.

The extent of wartime development in the manufacture of machine tools in India is well illustrated by the facts that, whereas five years ago there were very few plants producing such goods, the Machine Tool Controller subsequently granted manufacturing licences to no less than 260 firms and that some 3,600 machines have been made in this country since the outbreak of war. This total is thirty-six times the estimated pre-war output.

Newfoundland

MARINE ENGINE MANUFACTURE

On November 22 the first marine engine for fisheries use to be built by a new company in Newfoundland had its public trials at St. John's. The engine is a $7\frac{1}{2}$ -h.p. unit, running at 500 r.p.m. The castings for the engine were made at a local foundry and all parts except the carburetor were machined and assembled at the new plant. Ignition is of the make-and-break type and plans are to produce this engine in various sizes ranging from $3\frac{1}{2}$ to 10 h.p., with a total annual production of 400 units. Considering difficulties of supply it is unlikely that this goal will be reached for some time yet.

WATER-POWER RESOURCES

A study of Newfoundland's water-power resources and the best way to take advantage of them has recently been concluded by an official of the Dominion Water and Power Bureau of Canada. A report submitted at the end of the study recommends that a survey be made of Newfoundland's water-power capacity with a view to development on sound lines in future years. A small, permanent engineering organization is proposed, which would be set up under the Department of Natural Resources to carry out a long-term survey program.

Another suggestion in the report was that legislation should be passed to

guard against the alienation of water-power resources through leases, grants and special acts of the Legislature to organizations which were not prepared to develop their power holdings.

VISUAL EDUCATION PROGRAM

The Newfoundland Film Board has now five moving-picture projectors with which to carry out its visual education program. Four projectors are constantly in the field and one is reserved in St. John's. Of the four projectors two are equipped with their own generating plants and two are designed to operate from domestic current.

When it is planned to send a projector to a new field, a circular is first sent to clergymen, teachers and prominent men in the locality in question. About two weeks before the projectors are actually dispatched, a further notification is given that the machine is coming on a certain date. This enables arrangements to be made for a hall in which to exhibit the films. The school children see these pictures during the daytime and adults in the halls at night.

The pictures are entirely educational. Some have been obtained from the Canadian Film Board, some from the United States Government and others from the United Kingdom.

IRON-MANGANESE ORE

An outcrop of iron-manganese ore in the Avalon Peninsula has recently been uncovered. The ore is the first of its type ever found in any sizeable bed in Newfoundland. The average iron content of four samples from the new outcrop is 55.53 per cent, manganese runs 6.15 per cent, sulphur 0.07 per cent and phosphorus 0.03 per cent.

Indications are that the ore body is of some magnitude but this has not yet been confirmed.

WAR SAVING CERTIFICATES DISCONTINUED

The issue of War Saving Certificates was inaugurated in June, 1940, with the

object of providing funds to balance the budget. Owing to the upward trend in revenue which began in 1940-41, the proceeds of the sale of War Savings Certificates were not required for this purpose. The first \$500,000 collected was used to make a free gift to the United Kingdom for the purchase of aircraft for use by the Newfoundland Squadron of the R.A.F. and subsequent proceeds have been advanced as temporary interest-free loans to the Government of the United Kingdom to be used for war purposes. The total of War Savings Certificates issued to date is approximately \$2,900,000, the number of holders being approximately 70,000.

At the present time the Government has no need to increase its borrowings and, in view of the suitable alternative methods of saving available, no more War Savings Certificates will be issued after December 31, 1944.

United Kingdom

CHANGES IN BASIS OF AUTOMOBILE TAXATION

The Chancellor of the Exchequer recently announced, writes Mr. J. A. Langley, Canadian Trade Commissioner at London, that the Government

have decided to alter the basis of calculation of licence duty on cars taxed on horse-power by proceeding with reference to the cubic capacity of the engine instead of the area of cross-section, or bore, of the cylinder, which is the present method.

He explained that, while the amount of duty charged must obviously be a matter for consideration from time to time in the light of circumstances, the immediate change would be arranged to produce approximately the same amount of revenue as would be received on the present basis. The rate to secure this result would be the equivalent of £1 per 100 cubic centimetres of engine capacity, subject to a minimum. It is contemplated that these changes will come into force, subject to statutory authority being obtained, on January 1, 1946.

The general opinion in the trade on the effect of this change is that, while the suggested rate of tax is high, it will free car designers from the restrictions which have hampered technical progress in the past and impeded the development of export trade.

The above developments will be of interest to Canadian manufacturers who exported automobiles to the United Kingdom before the war.

CANADA'S EXTERNAL TRADE IN NOVEMBER

Canada's external trade, excluding gold, in November was valued at \$459,090,000 as compared with \$478,500,000 for the preceding month and \$453,723,000 for November, 1943. For the first eleven months of 1944 the aggregate value was \$4,844,630,000 as against \$4,293,593,000 for the corresponding period of 1943, an advance of \$551,037,000 or 12.8 per cent.

Domestic exports in November were valued at \$312,491,000 as compared with \$313,962,000 for October and \$289,912,000 for the corresponding month of 1943. For the first eleven months of 1944 the total rose to \$3,173,074,000 from the \$2,668,904,000 recorded for the comparable period of 1943, an increase of \$504,170,000 or 18.9 per cent.

Commodity imports in November were valued at \$141,617,000 as against \$160,050,000 for October and \$160,311,000 for November, 1943, the aggregate for the first eleven months of 1944 standing at \$1,631,682,000 as compared with \$1,600,205,000 for the similar period of 1943, a rise of \$31,477,000.

The United States was the leading source of supply, the November valuation of imports from that country standing at \$116,087,000 as compared with \$130,935,000, and the eleven-month total at \$1,344,281,000 as compared with \$1,312,168,000. Imports from the United Kingdom in November were valued at \$11,137,000 as against \$12,803,000, and the eleven-month figure at \$101,204,000 as compared with \$126,398,000.

The following were among the leading commodities imported during November, totals for the corresponding month of 1943 being shown within parentheses: fruits, \$4,223,000 (\$3,385,000); cotton, \$9,674,000 (\$8,221,000); wool, \$2,560,000 (\$6,403,000); rolling-mill products, \$4,682,000 (\$4,307,000); engines and boilers, \$3,403,000 (\$5,835,000); farm implements, \$2,517,000 (\$1,535,000); machinery, other than agricultural, \$5,618,000 (\$8,221,000).

Statistical Summary

A tabular statement showing Canada's exports in November by principal countries and commodities was published in *Commercial Intelligence Journal* No. 2135 (December 30, 1944), page 614. The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic imports (excluding gold) by principal countries and commodities for the month of November and eleven months ended November, 1944 and 1943:—

Imports by Principal Countries

	Month of November 1944	Thousands of Dollars	Eleven Months ended November 1944	1943
All countries	141,617	160,311	1,631,682	1,600,205
Empire countries	19,127	23,598	203,549	221,520
British East Africa	197	20	1,027	984
British South Africa	454	494	4,686	2,892
Southern Rhodesia	36	101	303	1,145
British West Africa	562	39	4,069	2,344
Bermuda	10	2	488	27
British India	2,517	1,771	26,802	15,146
Ceylon	614	14	4,262	5,402
British Guiana	346	1,158	6,994	7,567
Barbados	605	1,093	7,729	4,755
Jamaica	493	307	12,094	8,107
Trinidad and Tobago	27	215	963	743
Other British West Indies	104	319	1,058	888
Newfoundland	1,004	703	8,801	6,807
Australia	356	566	10,814	10,009
Fiji	417	1	2,992	2,301
New Zealand	206	3,869	7,920	24,145
United Kingdom	11,137	12,803	101,204	126,398
Foreign countries	122,490	136,713	1,428,133	1,378,685
United States	116,087	130,935	1,344,281	1,312,168
Argentina	548	773	8,871	9,320
Bolivia	5	..	14	..
Brazil	567	656	6,891	4,018
Chile	100	16	696	585
China . . . . .	..	..	2	21
Colombia	1,094	1,279	12,790	3,656
Costa Rica	27	20	1,328	1,507
Cuba	260	403	4,061	8,493
Ecuador	186	11	560	257
Egypt	26	..	170	57
Guatemala	11	59	2,658	1,009
Haiti	14	83	2,075	681
Honduras	193	7	1,118	155
Mexico	988	799	11,902	11,443
Netherlands West Indies . . . . .	..	..	508	976
Nicaragua . . . . .	..	..	1	218
Panama	2	..	6	78
Paraguay	5	29	208	560
Peru	4	..	93	692
Portugal	117	39	1,182	381
Salvador	84	4	2,500	1,170
San Domingo	332	51	4,211	128
Spain	250	100	2,453	781
Sweden . . . . .	..	..	24	2
Switzerland	77	225	3,872	3,572
Puerto Rico	9	8	67	9
Uruguay . . . . .	..	5	243	545
Venezuela	1,374	463	12,601	5,416

Imports by Principal Commodities

	Month of November 1944	Month of November 1943	Eleven Months ended November 1944	Eleven Months ended November 1943
	Thousands of Dollars			
Total imports	141,617	160,311	1,631,682	1,600,205
Agricultural products	15,220	17,048	196,629	157,956
Fruits	4,223	3,385	56,268	41,076
Nuts	1,162	335	11,470	2,054
Vegetables	655	835	14,052	13,172
Grains and products	1,235	1,374	11,448	8,847
Oils, vegetable	781	868	10,474	11,482
Cocoa and chocolate	8	16	3,669	2,061
Coffee and chicory	878	894	13,911	7,434
Spices	65	45	841	1,000
Tea	1,685	851	13,092	10,353
Alcoholic beverages	822	891	4,898	4,100
Gums and resins	283	196	3,102	2,705
Seeds	87	123	1,441	1,692
Tobacco	181	148	1,551	1,050
Animal products	3,411	3,063	32,536	33,844
Fishery products	223	133	2,697	2,139
Furs (chiefly raw)	1,369	878	9,706	7,786
Hides, raw	336	492	4,227	5,948
Leather, unmanufactured	325	243	2,721	3,040
Leather, manufactured	243	204	2,449	2,927
Meats	74	129	1,472	2,169
Fibres and textiles	17,628	19,116	174,468	180,845
Cotton	9,674	8,221	83,938	78,625
Raw, and linters	5,764	4,243	37,025	29,439
Yarn	575	854	7,251	9,199
Fabrics	2,831	2,785	34,373	35,779
Flax, hemp and jute	1,523	1,523	17,043	14,434
Fabrics, flax and hemp	97	130	1,204	1,983
Fabrics, of jute	1,025	869	11,040	7,805
Silk	108	101	1,419	1,221
Fabrics	100	96	1,368	1,165
Wool	2,560	6,403	34,661	54,537
Raw wool	479	3,426	10,645	26,049
Woools and tops	282	501	5,575	6,567
Yarn	299	218	3,357	4,023
Worsted and serges	741	1,279	7,170	9,586
Wood and paper	3,932	3,684	40,135	37,151
Wood, unmanufactured	471	435	5,766	5,296
Planks and boards	335	229	2,915	2,788
Wood, manufactured	672	531	6,442	5,551
Paper	1,169	1,029	11,190	9,761
Books and printed matter	1,619	1,689	16,737	16,544
Iron and products	30,926	38,549	398,601	388,863
Pigs, ingots, blooms and billets	249	255	2,006	11,158
Casting and forgings	595	847	6,560	8,165
Rolling-mill products	4,682	4,307	47,383	61,877
Pipes and tubes	468	835	5,159	7,890
Engines and boilers	3,403	5,835	59,531	43,806
Farm implements	2,517	1,535	37,739	18,343
Hardware and cutlery	332	390	3,857	3,790
Machinery (except agricultural)	5,618	8,221	73,589	99,226
Stamped and coated products	141	134	1,540	1,482
Tools	701	1,003	8,090	10,375
Vehicles	6,944	8,137	88,662	65,185
Non-ferrous metals	7,602	10,723	99,383	105,813
Precious metals	110	96	1,156	1,343
Clocks and watches	184	267	4,254	3,799
Electrical apparatus	3,739	4,828	54,495	44,423
Non-metallic minerals	24,682	23,748	252,855	230,858
Clay products	1,394	1,171	11,571	12,531
Coal	10,164	10,061	105,460	92,689
Coke	799	1,275	9,114	10,267
Glass and glassware	1,402	836	12,783	9,767
Petroleum products	8,632	8,247	91,935	83,164
Stone and products	828	1,079	9,880	10,305
Chemicals	6,654	6,677	74,962	64,864
Acids	345	345	2,911	4,038
Cellulose products	425	379	4,519	4,411
Drugs and medicines	705	604	6,948	6,762
Dyeing and tanning materials	649	769	6,477	6,993

Imports by Principal Commodities—Con.

	Month of		Eleven Months	
	1944	1943	ended November 1944	1943
	Thousands of Dollars			
Chemicals— <i>Con.</i>				
Fertilizers	377	388	3,949	3,475
Paints and varnishes	631	670	6,908	5,753
Inorganic chemicals	891	1,215	11,281	11,794
Soda and compounds	436	480	4,334	4,291
*Miscellaneous commodities	31,561	37,703	362,114	400,011
Amusement and sporting goods	249	114	1,978	951
Personal and household equipment	751	361	5,136	3,665
Refrigerators and parts	22	11	121	142
Musical instruments	68	39	503	447
Scientific equipment	729	1,132	7,872	9,104
Vehicles, n.o.p. (except iron)	4,456	7,178	60,347	61,342

* Includes certain military stores.

BUSINESS TRAVEL TO FRANCE

It is expected that it will be possible in the near future for small numbers of Canadian businessmen and accredited representatives of newspapers to travel to the "interior zone" of France, according to an announcement by the Department of External Affairs on January 5. Travel to other liberated areas of Europe, as they cease to be zones of military operations, may similarly become possible later.

The number who will be able to go forward, the announcement stated, will be strictly limited for some time by the inadequacy of passenger accommodation, both from Canada to the United Kingdom and from the United Kingdom to the Continent. As applications will undoubtedly exceed accommodation, it is pointed out, they will have to be carefully reviewed in order to determine the most essential before permission to proceed is granted. Each case will be considered on its merits.

In the case of businessmen, applications should be addressed to F. E. Bawden, Director of Trade Routes and Steamship Subsidies, Department of Trade and Commerce, Ottawa. Persons or companies applying should indicate whether they have factories or plants in France which would be useful for the war effort or for rehabilitation work; whether they have selling, purchasing or other commercial agencies in France; or whether they wish to

establish new industrial or commercial establishments or contacts for export or import purposes.

In the case of newspaper representatives, applications should be addressed to the Wartime Information Board. Details should be given as to the purpose of the trip, newspapers to be represented, and other relevant information.

Applications approved by the Department of Trade and Commerce and the Wartime Information Board will be passed on to the Department of External Affairs for consideration in the light of transportation available. Applications finally approved will not necessarily be accorded any priority with regard to transportation, and lengthy delays may be inevitable before movement can take place.

The announcement emphasizes that it is essential that the difficulties involved in such travel at this time should be appreciated. Movement from the United Kingdom to France is by air only, and is very restricted. Transportation within France is almost impossible to secure, and accommodation in Paris and elsewhere is difficult and inadequate. Visas from the French Government are necessary before travel to France can take place, and the issuance of them is entirely at the discretion of the French authorities.

Travellers proceeding to France should arrange before leaving Canada for the funds which they will require to meet their expenditures in France. Application for this purpose should be made to the Foreign Exchange Control Board through the applicants' bank.

With regard to return transportation, no assurance whatever can be given. It is pointed out that, at the end of the war in Europe, westward transportation for civilians will be almost impossible to produce for some time, due to the heavy requirements for troop movements at that time.

TRADE REGULATIONS AND TARIFF CHANGES

Bermuda

IMPORT RESTRICTIONS RELAXED

Revised import regulations, effective December 15, 1944, issued by the Bermuda War-Time Supplies Commissioner, remove the embargo, established in May, 1942, on the importation from all sources of a long list of commodities, and permit the importation on a quota basis of commodities the importation of which from dollar sources was formerly prohibited.

Among the items which have been removed from the embargo on importation from all sources are liqueurs; wines; mineral waters; various bicycle accessories; cosmetics; various articles of men's and women's wearing apparel; electrical appliances such as cash registers, dishwashers, clocks, floor polishers, food mixers and cutters, hair cutters and driers, toasters, heating units, vacuum cleaners and milking machines; certain foodstuffs considered as luxuries; house furnishings of various kinds; certain kitchen utensils; ornamental jewellery; motor and sail boats; canoes; marine engines; fireworks; lawn rollers; show cases; box stationery; crepe paper; lining paper; shelf paper; tissue paper; topping for ice cream and sundaes; ping pong tables and various toys. Among the items which were formerly prohibited importation from non-sterling areas are Scotch whiskey; rum; rouge; expensive wearing apparel and shoes; radio receiving sets over \$47.50 each; biscuits over 30 cents per pound; expensive house furnishings; engagement rings over \$100 each; watches over \$40 each; cameras over \$30 each; china-

ware; fountain pen and pencil sets over \$12.50; playing cards over 50 cents per pack; and toys over \$1.50 each.

Ireland

QUOTAS FOR FOOTWEAR, LADIES' FELT HATS, METAL SCREENS, MOTOR CARS AND PARTS

Mr. E. L. McColl, Canadian Trade Commissioner at Dublin, writes that, by seven Orders of the Irish Government, all dated November 24, 1944, issued under the Control of Imports Acts 1934 and 1937, further import quotas have been announced for the period January 1 to June 30, 1945, as follows:—

Leather boots and shoes—1,250,000 articles.
Ladies' felt hats (under 14s. 11d. each)—
80,000 articles.

Certain metal screws (with slotted heads and tapered threads)—50,000 gross, of which 48,000 gross must be of Canadian or United Kingdom manufacture.

Import quotas have also been announced for the period January 1 to December 31, 1945, as follows:—

Completely or substantially assembled motor-car chassis, with body or with body shell attached—120 articles.

Completely or substantially assembled motor-car chassis, without body or body shell attached—60 articles.

Completely or substantially assembled motor-car bodies, or body shells, imported otherwise than attached to chassis—60 articles.

Certain motor-car body parts—10 articles.

The new amounts announced are the same in all cases as those for the corresponding previous periods.

Mexico

HEALTH REGISTRATION FEES

Mr. C. S. Bissett, Canadian Commercial Secretary at Mexico City, advises that, by a decree effective November 28, 1944, the registration fees established by the Mexican Department of Health have again been amended. A previous report on this matter was published in *Commercial Intelligence Journal* No. 2117 (August 26, 1944), page 179.

The present decree renews the original fee of 200 pesos which was in effect before August 11, 1944, covering patent medicines, pharmaceutical

specialties and toilet and beauty products. However, the renewal period of five years established by the decree of August 11 remains in force under the present decree.

In respect to beverages, edible food-stuffs and similar, the present decree establishes a fee of 50 pesos per product with a renewal period similarly of five years.

In both cases, the fee for Mexican products remains at 20 pesos each. Similarly, by virtue of the Mexican-United States treaty, the fee for similar products of United States origin remains at 20 pesos per product.

TRADING WITH THE ENEMY

CANADIAN LIST OF SPECIFIED PERSONS

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more.

SUBSCRIPTION RATES

The *Commercial Intelligence Journal* is published in English and French and is issued every Saturday by the Department of Trade and Commerce.

Subscription prices for either edition are: \$1 per annum in Canada, single copies 5 cents each; \$3.50 per annum outside Canada, single copies 10 cents each.

Subscription orders should be addressed to the King's Printer, Government Printing Bureau, Ottawa, and remittances may be made by post office or express orders, or by drafts or cheques, payable at par in Ottawa.

Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JANUARY 8, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 8, 1945, and for the week ending Tuesday, January 2, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 2	Nominal Quotations in Montreal Week ending Jan. 8	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2756	.3304 .2752	3½
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½
Colombia	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	—
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics.—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1944. (Price 25 cents.)

Canada Year Book. (Price \$2.00.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum).

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, Director

47

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VEHSLER, Commercial Attaché, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy, 62 rue du Faubourg Saint Honoré, Paris.

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucom.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

Page	Page
Effect of Reduction in Lend-Lease on United Kingdom Import Trade.... 49	Trade Regulations and Tariff Changes:
United Kingdom Wartime Consumption of Food..... 50	British Guiana: Validity of Licences for Imports from Canada and the United States 65
Canadian Export Commodities and Industries: 16. Rubber..... 52	United Kingdom: Amendment to Regulations for Sale of Flour.... 65
Newfoundland Market for Furs..... 58	United States: Tariff-rate Quota on Seed Potatoes Nearly Filled..... 65
Economic, Trade and Production Notes 59	Foreign Exchange Quotations..... 66
	Commercial Intelligence Service..... 67

EFFECT OF REDUCTION IN LEND-LEASE ON UNITED KINGDOM IMPORT TRADE

By J. A. Langley, Canadian Trade Commissioner at London

The Chancellor of the Exchequer made a statement in the House of Commons in December about the program of Lend-Lease supplies after the conclusion of the war with Germany. The projected arrangements will exert an important effect on United Kingdom import and export trade. The statement deals particularly with the effect of the arrangement to pay cash for some imports previously obtained on Lend-Lease terms.

It is explained that the prospective reduction in the scale of Lend-Lease assistance after the end of the war with Germany to a rate not much more

than half of what was received in 1944 is due to (a) a reduction in requirements; (b) capacity to produce more in the United Kingdom; and (c) the removal of certain articles and materials from the Lend-Lease list. With regard to (c) it is pointed out that the articles previously imported from United States sources, for which the United Kingdom will henceforward pay cash, comprise a number of miscellaneous manufactured articles and materials. But, after allowing for the reduction in the scale of ~~some requirements~~, the amount of money likely to be involved is not considerable.

Decrease in United States Dollar Expenditure

It should be appreciated that Lend-Lease has never covered anything like the whole of the United Kingdom's requirements for goods and services in the United States. In spite of the large over-all reduction in the Lend-Lease program which has recently been agreed upon, the United Kingdom authorities hope for a decrease rather than an increase in the United States dollar expenditure which has to be met from current dollar receipts and other resources. Of current receipts, the dollar equivalent of the pay of the United States forces stationed in the sterling area is much the most important element.

Thus, when everything has been taken into account it would be a serious misunderstanding of the effect of the recent agreed changes in the prospec-

tive Lend-Lease program to believe that the substantial reduction in view, taken in conjunction with the undertaking to pay cash for certain items previously obtained on Lend-Lease, will have the effect of causing an increased drain on the United Kingdom's gold and dollar resources to pay for purchases in the United States. This is the opposite of the fact.

In arranging the new program, the Chancellor stated, careful regard has been had to the nature of the goods which the United Kingdom is likely to be in a position to use in export as resources become available with a view to cutting them out of the Lend-Lease list, as is only reasonable. As a result of this, it is hoped that there are no potential exports of any importance likely to be affected by any restrictions arising out of the Lend-Lease Agreement.

UNITED KINGDOM WARTIME CONSUMPTION OF FOOD

By C. G. VENUS, *Office of the Canadian Trade Commissioner at London.*

The statistical analysis of the United Kingdom's war effort, which has recently been published, includes information about the changes which war restrictions have imposed upon the consumption of food in the United Kingdom. Having regard to the important contribution to the food sup-

plies of this country normally supplied by Canada, a study of the changes in diet which have occurred should be of interest to Canadian producers and exporters.

The accompanying table summarizes the consumption per head per week of the principal staple foods in each year

Civilian Consumption of Principal Foodstuffs

Foodstuff	Unit	1934-38 Average	Quantities per head per week			
			1940	1941	1942	1943
Butter	Oz.	7.63	4.12	3.14	2.40	2.34
Margarine	Oz.	2.77	4.74	5.51	5.45	5.26
Cheese	Oz.	2.71	2.52	2.55	4.34	3.63
Shell eggs	No.	3.26	2.85	2.38	1.70	1.45
Dried eggs	Oz.	0.02	0.03	0.03	0.58	0.80
Liquid milk	Pint	3.25	3.45	3.94	4.22	4.32
Dried milk	Oz.	0.49	0.49	0.25	0.89	1.29
Fresh meat	Oz.	30.40	29.23	23.97	22.95	22.18
Bacon and ham	Oz.	8.40	6.18	5.88	6.00	5.78
Canned meat	Oz.	0.89	0.34	0.74	2.28	2.43
Fresh fish	Oz.	6.52	3.66	3.72	4.25	4.56
Canned fish	Oz.	1.11	1.60	1.05	0.86	0.95
Tea	Oz.	2.86	2.68	2.52	2.55	2.22
Sugar	Oz.	30.58	20.22	18.52	19.45	20.00
Flour	lb.	3.75	4.01	4.56	4.37	4.43
Potatoes	lb.	3.40	3.44	3.93	4.78	5.25
Fresh fruit	Oz.	27.17	20.92	8.43	15.20	12.06
Other fruits and juices	Oz.	8.22	5.05	4.55	4.62	5.35

Note.—A 5-ounce packet of dried egg is equivalent to about 12 shell eggs.

from 1940 to 1943 and for comparison shows the average consumption during the pre-war period 1934-38.

The figures in the table include in all cases food eaten outside the home, the quantities used in manufacture, the food produced privately on gardens or allotments, and consumption in hotels, restaurants and private houses by members of the British and Allied forces when on leave. This explains why the figures in the table exceed the civilian domestic rations. In some cases the difference is substantial. For example, sugar is used in large quantities in the manufacture of jam and other composite foods.

Changes in Diet

The table shows how considerably the constitution of the average person's diet has changed as a result of the limited amount of shipping space available in war time for the importation of food and of the concentration of home agriculture on the production of those foods which assist most directly and economically in maintaining the nation's nutrition.

In 1943 the consumption of butter, for example, was less than one-third of the pre-war figure and the consumption of shell eggs and fresh fruits less than one-half. Sugar consumption has fallen by one-third and consumption of butcher's meat and bacon by more than one-quarter.

These are among the more appetizing ingredients of meals; and, although great progress has been made in devising nutritious and "ship-saving" substitutes, the reduction in supplies of some of the staple foods in their familiar peacetime shape has made the wartime diet less palatable and more troublesome in some respects from the housewife's point of view.

The consumption of flour in all forms has risen by 20 per cent and that of potatoes by 50 per cent to offset the reductions in other items. The consumption of liquid milk in 1943 was about one-third greater than pre-war, but it should be borne in mind that this figure is an over-all average. Special arrangements have been made to stimulate the consumption of milk by certain priority classes and this, coupled with the increase in general demand due to higher money incomes and reduced supplies of other foods, has meant that even the increased supply has not been sufficient to allow unrestricted purchases. In winter the ordinary consumer's average share has fallen as low as two pints per week but this has been supplemented by supplies of dried skimmed milk.

In a similar manner a substantial proportion of the diminished supply of shell eggs is reserved for priority customers. Although the average consumption of eggs, including dried, was little different in 1943 from the pre-war level, the allocation to ordinary consumers was only 30 shell eggs, or less than one-quarter of the pre-war average purchase.

So far as food is concerned, the worst period of the war as regards both nutritional level and lack of variety was the early months of 1941. Since then the nutritional content of the diet has been built up to a figure not far short of the pre-war level by increased supplies of such concentrated imported foods as dried egg, dried milk and canned meat, and by the rising production of milk, potatoes and other home agricultural products. As butter has become scarcer, the output of margarine has been raised and its nutritive value increased by fortification with vitamins, to an extent which makes good a large part of the deficiency.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

16. RUBBER

By F. J. RASHLEY, *General Manufactures Branch, Dominion Bureau of Statistics*

(Trade figures cited for years prior to 1929 are for fiscal years)

The rubber industry comprises all firms actually manufacturing rubber products and is of considerable importance in the industrial life of this country. Canada ranks among the leading countries of the world as a manufacturer of rubber goods and was normally also the sixth largest importer of rubber in the world before the war, ranking after the United States, the United Kingdom, Japan, Germany and France. Canadian rubber products consist of tires of all kinds, inner tubes, rubber boots and shoes, rubber heels and soles, rubber belting, hose, druggists' and medical supplies, mechanical rubber goods, and numerous other items. Materials consumed include not only raw and reclaimed rubber, but also a wide range of chemicals, fabrics, metal fittings, etc. Besides supplying the home market with its varied products, the industry contributes materially to Canada's export trade.

The rubber industry forms an adjunct of considerable importance to the cotton yarn and cloth industry, and, to a lesser extent, to the artificial and real silk industry, which supply it with fabrics.

Early Growth, 1890-1918

Available statistics show that in 1890 the rubber industry in Canada represented a capital investment of \$2,331,108, gave employment to 1,224 persons and produced goods worth \$2,059,320. For the years 1910, 1915 and 1917, total production was valued at \$7,039,201, \$14,393,181 and \$43,639,188 respectively. Employment was given to 10,258 persons in 1917, and capital invested totalled \$28,395,983. Minor increases occurred in 1918.

The widened market in the United Kingdom during the war years 1914-

1918 is reflected in the exports to that country. These amounted to \$182,843 in 1915, rose to \$2,043,774 in 1916, and continued at the then high levels of \$1,846,086 and \$1,132,751 in 1917 and 1918.

Total exports to all countries during the four years were \$446,777 in 1915, \$2,494,609 in 1916, \$2,436,897 in 1917 and \$2,648,805 in 1918.

The expansion indicated by the foregoing figures includes not only the establishment and growth of Canadian-owned plants, but also the entry into Canada of the great American and British rubber manufacturing companies, in the form of subsidiaries which, together with later establishments, now occupy a dominant place in the rubber industry of Canada. These subsidiaries made available to the Canadian trade, both domestic and export, not only the volume of production of their plants, but also the developments in techniques, manufacturing processes, etc., instituted or fostered by the parent companies.

Production and Exports, 1920

A moderate production increase in 1919 was followed by a sudden and very considerable upswing in 1920, in which year the rubber industry reached a peak in employment and production value not surpassed until the year 1928. Thirty-five establishments gave employment that year to 15,238 persons, who were paid the sum of \$16,199,930 in salaries and wages, and produced goods with a selling value of \$80,717,308. Capital invested amounted to \$58,370,039. Activities were mainly in Ontario, but establishments were also in operation in Quebec.

Although the number of employees is evidence of the very real increase in the volume as well as the value of

production, it is not without interest to note that the high selling value of the type of tire produced at that time, as compared with values in 1929 and 1939, was to no small degree responsible for the outstanding value of production.

Pneumatic tires manufactured totalled 1,559,586 valued at \$35,131,026, or an average of \$22.53. When this is compared with a 1929 average of \$9.68 for all tires other than solid, the problem of establishing any real comparability before the period 1929-1939 becomes apparent. In 1929 production was about 66 per cent balloon tires, with an average of \$7.59, although the 1,539,111 tires designated as pneumatic were sold at an average of \$13.72.

Inner tubes manufactured in 1920 numbered 1,427,546 valued at \$4,271,461, or an average of \$2.99, approximately double the 1929 average. Footwear of all kinds numbered 15,185,650 pairs worth \$21,757,815, an average of \$1.43 per pair.

Raw rubber consumed amounted to 22,360,199 pounds valued at \$11,946,618, or 53 cents per pound, and reclaimed rubber to 10,456,559 pounds worth \$1,673,504, or 16 cents per pound. The averages for 1929 were 21 cents and 7 cents respectively. It may be noted that, with the curtailment of rubber manufacture following the war of 1914-1918, crude rubber accumulated and prices fluctuated very considerably. The year 1929 represents a certain degree of stabilization.

Exports in 1920 were valued at \$10,069,963 (12 per cent of production in the calendar year 1920), of which tires at \$7,395,172 were the main item, followed by boots and shoes at \$1,750,967. The United Kingdom, Canada's leading export market for manufacturers of rubber, purchased to the value of \$4,482,844. Imports were valued at \$18,059,435, of which the sum of \$12,010,732 was for crude rubber, etc.

Production and Exports, 1921-1928

In 1921 the rubber industry produced goods worth only \$39,469,786, or less than half the value for the preced-

ing year. That this was the result of a collapse of markets, as well as a decline in values, is shown by the fact that the number of pneumatic tires produced was 862,356, a decrease of 45 per cent, while the value was \$15,562,729, a decrease of 56 per cent. However, by 1922 manufacture of tires had almost regained the 1920 level, although values remained low. A continued rise in tire production resulted in an output of 4,338,578 with a value of \$41,075,594 in 1928. As compared with 1920, this was an increase in number of 177 per cent and in value of only 17 per cent.

Total production of all kinds of rubber boots and shoes, amounted to 23,941,164 pairs valued at \$32,412,611 in 1928. Compared with 1920 there was an increase of 58 per cent in the number of pairs and 49 per cent in value. Included in the 1928 totals were 10,172,141 pairs of canvas shoes with rubber soles, a very high percentage of these being exported. Only 3,684,544 pairs were manufactured in 1920.

The trend indicated above is significant when considering the fact that the gross value of production in the industry, which fell to \$39,469,786 in 1921 and then rose through the ensuing years to the pre-war peak of \$97,208,713 in 1928, showed a gain over 1920 of only 20 per cent. It is also of importance when determining the extent of export markets.

Total exports to all countries in 1920 were valued at \$10,069,963, as earlier noted, but by 1922 the value was only \$4,061,809. In 1923 there was an increase which continued in the next few years to bring the total to \$28,625,951 in 1928. Exports to the United Kingdom fell to a low of \$1,328,171 in 1922, but by 1928 totalled \$6,740,491, the all-time peak. A large market had been developed for rubber boots and shoes, (including canvas shoes with rubber soles), the amount taken in 1928 being \$2,354,336, a great increase over the \$829,154 taken by the United Kingdom in 1920. Exports of tires decreased in value to \$1,098,428 in 1922, and rose to \$3,750,861 in 1928, the highest ever recorded.

Since the following section includes a breakdown of exports by principal items and countries for 1929, reference may be made to it if an approximation of the 1928 situation is desired. However, as may be noted, tire exports were already declining in 1929.

Production, 1929-1939

There was a decrease in production in the rubber industry during the years following 1929. It was due not only to decreased purchasing power in the home market and a contraction of export markets resulting from the same factor, but also to the actual loss of certain export markets, largely consequent to the commencement or enlargement of competitive manufacturing in the countries representing those markets and in other countries engaged in the export trade.

In 1929 the gross value of production at \$96,934,660 was slightly lower than in the preceding year, but capital invested at \$73,877,478 was higher than in any year preceding 1942, and employment at 17,796 persons has never been equalled.

In 1930 a considerable decline occurred, leading to a gross value of production in 1932 amounting to only \$40,746,910. Production totals then moved upwards, reaching a pre-war peak of \$74,263,753 in 1937 (in which year major export items also were high). Although goods were produced in 1938 to the extent of only \$61,030,710, in 1939 the value of production had moved up again to \$69,945,471. It is noteworthy, however, that in 1939 employment, salaries and wages paid, cost of materials used and gross value of production were lower even than in 1920.

Production of tires in 1929 and 1939 totalled respectively 4,506,185 valued at \$43,618,214 (average \$9.68 per tire) and 2,620,256 at \$27,200,376 (average \$10.38). Footwear quantities and values were 25,630,570 pairs at \$29,720,991 (average \$1.16) and 21,057,890 pairs at \$22,192,408 (average \$1.05) respectively. Of these, canvas shoes with rubber soles accounted in 1929 for 13,328,633 pairs worth \$11,213,587

(average 84 cents) and in 1939 for 5,131,103 pairs worth \$3,393,512 (average 66 cents). Production of items classified as miscellaneous was valued at \$15,827,529 in 1929 and \$16,255,012 in 1939.

Consumption of crude rubber in 1929 totalled 76,156,576 pounds valued at \$16,171,901, and reclaimed rubber, 25,146,289 pounds at \$1,736,049. In 1939 consumption was: crude rubber, 70,818,411 pounds at \$11,885,991; reclaimed rubber, 16,838,039 pounds at \$926,136; scrap rubber, 18,500,000 pounds at \$158,221. Average crude rubber prices for the two years were 21 cents and 17 cents respectively.

Exports, 1929-1939

Exports represented 33 per cent of the total value of production in 1929 and 23 per cent in 1939.

In 1929 Canada's export trade in rubber and its products was valued at \$32,169,510, the highest ever recorded, and of this total \$5,925,128 went to the United Kingdom. The main items of export were: tires, \$16,385,869; canvas shoes with rubber soles, \$6,190,707; and rubber boots and shoes, \$3,546,853.

Following 1929, the export value dropped sharply, reaching a low of \$6,672,048 in 1932. In 1933 an upward movement took place, and there was an acceleration of this movement in 1934. By 1937 the value had reached the highest point after 1929 in the period 1929-1939, totalling \$17,764,673. There was a considerable decline in 1938, but the moderate upswing in 1939 carried the value to \$15,767,344, the leading item still being tires at \$7,374,194. Rubber boots and shoes with a value of \$4,016,247, had become the second most important item. Canvas shoes with rubber soles were worth \$1,079,809.

Thus in 1939 the export trade of 1929 had not been more than partly regained after the decline of the depression years; it was indeed lower in total, on a dollar value basis, by 51 per cent. Tires were down 55 per cent, and canvas shoes with rubber soles down 83 per cent. In contrast, rubber shoes showed a gain of 13 per cent.

TIRES

A break down of the total figures given in the preceding paragraphs shows that in 1929 the largest markets for tires from Canada were: New Zealand, \$2,528,545; Argentina, \$1,678,529; British South Africa, \$1,420,630; Brazil, \$1,307,260; British India, \$1,210,450; Denmark, \$738,435; and United Kingdom, \$511,204. Aggregate exports of Canadian tires to these countries were \$9,395,093, out of total exports of \$16,385,869.

In 1932 total exports had fallen to \$3,044,889, but by 1937 they were valued at \$8,722,371. In 1939 the total was \$7,374,194, of which the leading countries already enumerated took only \$2,373,544, a decrease of 75 per cent as compared with their 1929 purchases. Brazil took about 49 per cent of its 1929 total; the United Kingdom, 39 per cent; British South Africa, 21 per cent; British India, 34 per cent. New Zealand had taken roughly 50 per cent in 1937 and 1938, but in 1939 purchased only 30 per cent. Argentina and Denmark had practically ceased to exist as export markets.

Since the number of tires exported totalled 1,746,950 worth \$9.38 each in 1929 and 708,423 worth \$10.41 each in 1939, the decrease of 59 per cent in volume almost parallels the value decline of 55 per cent.

Comment will be made later concerning the loss, or decline in importance, of some of the tire and other markets which might seem logically to be open to the Canadian product. However, it is worth noting here that allowance must be made for an increase from 55 to 108 in the number of countries to which Canada exported tires when considering the fact that, although exports in 1939 to the leading countries in 1929 showed a drop of 75 per cent, the total fall in exports was only 55 per cent.

CANVAS SHOES WITH RUBBER SOLES

In 1929 the two largest markets for Canadian-made canvas shoes with rubber soles were Argentina, \$1,798,714,

and the United Kingdom, \$1,112,457. In 1939 the United Kingdom was the only important importer, taking \$735,170.

The exports of these shoes fell from \$6,190,707 in 1929 to a low of \$628,191 in 1932. In 1934 they amounted to \$1,579,088 but this was partly because Argentina was still purchasing. The 1939 total of \$1,079,809 included only \$344,639 for export to countries other than the United Kingdom, which took about 68 per cent, but exports went to some 70 countries as compared with 29 in 1929.

Values do not truly indicate the trend in this item. Total exports in 1929 were 9,289,896 pairs worth 67 cents a pair and in 1939 they were 2,093,408 pairs worth 52 cents a pair. Although the decrease in quantity to all countries was 77 per cent, or only 6 per cent less than the fall in value basis, the volume of shipments was well maintained to the United Kingdom, which took 1,586,021 pairs worth 70 cents a pair in 1929 and 1,538,473 pairs worth 48 cents a pair in 1939. There was a decline of only 47,548, or 3 per cent, in the number of pairs exported to the United Kingdom, whereas the value showed a decline of \$377,287 or 34 per cent.

RUBBER BOOTS AND SHOES

The outstanding purchaser of rubber boots and shoes from Canada in 1929 was the United Kingdom at \$2,095,453. Denmark, New Zealand and Newfoundland, in the order named, took amounts ranging downwards in value from \$500,000 to \$200,000.

It is interesting to note that this item never decreased to the extent occurring in tires and canvas shoes with rubber soles, the lowest year in the period 1929-1939 being 1932 with \$1,607,058 as compared with \$3,546,853 in 1929. The peak year was 1937 with \$4,577,098.

In 1939 exports were valued at \$4,016,247, of which the United Kingdom took \$2,971,801. New Zealand and Newfoundland were roughly the same as in 1929, but Denmark had almost

ceased buying. There was an increase in the number of countries to which rubber shoes were exported from 12 in 1929 to 65 in 1939.

For this item value comparisons have little connection with volume. Total exports were 2,319,938 pairs worth \$1.53 a pair in 1929, and 4,337,117 pairs worth 93 cents a pair in 1939, an increase of 87 per cent in the number of pairs as compared with 13 per cent in aggregate value. The United Kingdom took 1,338,892 pairs worth \$1.57 a pair in 1929 and 3,358,306 pairs worth 88 cents a pair in 1939, an increase of 151 per cent in the number of pairs as against a value increase of only 42 per cent.

LOSS OF MARKETS

It is understandable that the United Kingdom during this period would reduce its importation of tires very greatly, and that it would provide no small part of rubber imports of other British Empire countries. Therefore, it is to some extent gratifying that there were increased exports of rubber boots and fairly well maintained exports of canvas shoes with rubber soles from Canada to the United Kingdom.

With regard to British India, the drop in purchases from Canada may be partly attributed to the commencement of a rubber-tire industry in that country. A vital factor also has been the preferential tariff of 20 per cent ad valorem available to United Kingdom products as compared with the standard rate of 30 per cent on imports from all other countries. Nevertheless, Germany, Japan and the United States were able to maintain considerable exports in certain items to India.

British South Africa has a rubber manufacturing industry and also is a considerable importer of British products.

Argentina, the most important South American importer of Canadian rubber manufactures in 1929, imported only slightly over 1,000,000 pounds of crude rubber in that year, but in 1937 imported a total of 31,300,000 pounds, which indicates the enlargement of

rubber manufacturing in Argentina, due in no small measure to the establishment of two branch plants by United States firms in 1933. Products in 1939 included tires and tubes, except outsizes, all types of rubber soled canvas shoes, belting, etc. Although rubber boots and other items were still imported, the trade in rubber boots from Canada had ceased under import regulations.

Summary, 1920-1939

Total production values for 1920, 1929 and 1939 were \$80,717,308, \$96,934,660 and \$69,945,471, respectively. Tire totals for the same years were 1,559,586 (average value, \$22.53), 4,506,185 (average, \$9.68) and 2,620,256 (average, \$10.38). Boot and shoe totals were 15,185,650 pairs (average value \$1.43), 25,630,570 pairs (average \$1.16), and 21,057,890 (average \$1.05). Quantity figures negate value comparisons to some extent. The year 1929 was outstanding, with 1939 in second place as far as the supply at quantity demand is concerned.

The decline in the quantity of production in 1939 as compared with 1929 seems to parallel the decline in certain export markets and the loss of others. It would seem evident that the home market in 1939, plus a greatly decreased export trade, was incapable of consuming production at the 1929 level.

Conversion to War Production, 1939-1942

With the outbreak of war in the latter part of 1939, a change-over in production began to take place. By selecting standard balloon tires for passenger cars, and balloon tires for buses, trucks, etc., as indicative of the trend, not only the conversion to war production may be shown, but also the increasing tempo of that conversion.

For the four years 1939-1942, the production of standard balloon tires, for passenger cars was 1,397,901, 1,508,169, 1,423,969 and 56,608 respectively, so that there was a decrease of

1,341,293 in the number of such tires produced in 1942 as compared with 1939. For the same years the production of balloon tires for buses, trucks, etc., was 250,477, 407,663, 986,294, and 1,321,079, or an increase of 1,070,602. It may also be noted that no aeroplane tires were manufactured in 1939, while 8,054 were made in 1940, 48,939 in 1941 and 103,381 in 1942.

In addition to the evident conversion in tire production, the industry stepped up its production of waterproofed and anti-gas clothing, etc. It manufactured tank tracks and treads, etc., bogie tires and wheels and top rollers, rubber dinghies, bomb-tail covers, de-icers for aeroplane wings, helmet linings, etc., as well as items produced to a considerable extent in peacetime and yet entering into vehicles and other manufactures which are part of the war effort.

Production of druggists' and medical sundries, and numerous other miscellaneous items, was continued to the greatest possible extent, together with the manufacture of rubber footwear, although there was a considerable decrease in the latter item.

There was, of course, a very considerable dislocation in the industry, and hardships were suffered by individual firms, due to the loss of export markets, restrictive orders affecting their particular products, etc. Restrictive orders, however, formed a very necessary part of the war effort in this industry.

Production in 1942

A general survey of the rubber industry in 1942 shows that establishments manufacturing rubber tires, rubber footwear and other rubber goods numbered 49, of which 29 were located in Ontario, 18 in Quebec, one in Saskatchewan and one in British Columbia. These plants had a capital investment of \$74,464,827, furnished employment to 15,497 persons who received \$23,413,150 in salaries and wages and produced goods valued at \$122,231,402 from materials costing \$61,576,546. As

compared with 1939, these totals represented a decrease of five in the number of establishments, with increases in all other items as follows: capital invested, \$9,090,558 or 14 per cent; employment, 1,337 persons or 9 per cent; salaries and wages paid, \$7,809,-376 or 50 per cent; cost of materials used, \$32,762,543 or 114 per cent; and gross value of production, \$52,285,931 or 75 per cent.

There was an increase in the selling value of tires and inner tubes produced, the value of production rising from \$31,428,191 in 1939 to \$66,831,055 in 1942. The volume of footwear decreased from 21,057,890 pairs to 14,768,965 pairs, and the value decreased from \$22,192,408 to \$19,858,565. The miscellaneous section increased its production from \$16,255,012 to \$35,541,782.

The consumption of raw or crude rubber in 1942 totalled 93,297,154 pounds worth \$23,181,195, or an average of 25 cents per pound. Reclaimed and scrap rubber used amounted to 29,154,262 pounds and 31,224,000 pounds respectively.

Exports of rubber and its products tubes shows the exigencies of war a decline of some \$3,000,000 from the preceding year. These exports consisted largely of tires and inner tubes, \$9,425,397, and boots and shoes, \$1,390,864. The United Kingdom took \$3,986,749 of the tires, etc., while \$1,487,774 went to the United States. British India, Egypt, British South Africa and Australia also received fairly important shipments. Rubber boots and shoes went chiefly to the United Kingdom, \$838,931, and to Newfoundland, \$472,479.

The direction, and the increased importance, of the export of tires and tubes shows the exigencies of war rather than export markets, as does also the decline in the importance of the export of rubber boots and shoes and other items. Figures for 1939, therefore, should be of more concern to those interested in normal markets and the resumption of commercial trade in the post-war period.

Synthetic Rubber

So far only a limited reference has been made to the impact on the rubber industry of the Japanese entry into the war. The loss of so much of the rubber-producing territory of the world, at a time when the enormous demands of war were upon the Canadian manufacturer, made it not only necessary to conserve for priority use the natural rubber on hand, to salvage and reclaim rubber to the greatest extent, and to restrict civilian use of even reclaimed rubber, etc., but also to seize and bring into production with the utmost rapidity the synthetic substitutes available through experimentation in these fields.

The Canadian Government therefore decided to co-operate with the United States Government, which was instituting a synthetic rubber program, Buna S having been chosen as the major type. A Crown company,

Polymer Corporation Limited, was formed in February, 1942, and was given the task of overseeing the construction and later operation of a synthetic rubber plant at Sarnia, Ont.

Production from the Sarnia plant has made large quantities of Canadian synthetic rubber available, and export figures for 1944 show an appreciable quantity at the disposal of the United States market.

As far as synthetic rubber is concerned, comparisons of costs between this and natural rubber cannot be made with any assurance, and it is to a degree upon such costs that its future will depend. It seems reasonable to suppose that both products will continue to be used, that for certain uses a blend of the two will be found to be the most efficient, and that for others either natural or synthetic rubber alone will be found most satisfactory.

NEWFOUNDLAND MARKET FOR FURS

By R. P. BOWER, *Canadian Trade Commissioner at St. John's*

Newfoundland has never been an important market for Canadian furs. In the past the standard of living has been such that the number of people in a position to buy imported quality furs has been limited. In addition, there is a fair-sized fur industry in the country with pelts from trappers' lines and fur farms.

Exports

In 1937-38, which may be considered as a normal pre-war year, the value of furs, exclusive of seal skins, exported from Newfoundland amounted to \$186,487, of which \$161,600 went to the United Kingdom, \$20,000 to Canada and \$5,000 to the United States. During the same period 194,900 undressed seal skins were exported, valued at \$307,000; 142,000 skins going to the United Kingdom, 42,000 to the United States and 10,000 to France. During the same year 120 dressed seal skins were exported, valued at \$1,000.

Aside from the seal fishery, which is primarily a fishing enterprise, the most

important trapped fur is the muskrat, followed by the red fox, cross fox, otter, silver fox, weasel and bear. There are substantial quantities of beaver in the island, but there has been a closed season on the trapping of these animals for many years. There is also a closed season at the present time on marten. There are a few wild mink being caught from time to time, the progeny of animals which have escaped from mink farms throughout the country.

Fur Farming

Fur farming has never become a major industry in Newfoundland, largely because of the uncertainty of sufficient feed supplies. The industry has received some attention lately through the activities of an Advisory Committee consisting of some half-dozen or more persons interested in and informed upon fur-farming methods, which submits suggestions from time to time to the Department of Natural Resources.

Of the 30 fur ranches operating today, 13 are devoted exclusively to rearing fox, 11 to rearing mink and 6 to combined fox and mink raising. The latest figures on stock population are as follows: mink, 94 males and 316 females; silver fox, 50 males and 133 females; platinum fox, 14 males and 5 females; patch fox, 13 males and 18 females; red fox, 2 males and 5 females.

The Government maintains a number of beaver farms from which are obtained animals to stock other parts of the Island. The colonies that have been planted all appear to be doing well and there is reason to believe that in future years fair amounts of beaver will be trapped in Newfoundland.

Imports

The importation of furs into Newfoundland in recent years cannot be

considered typical because of the exceptional prosperity in the island, and because of the presence of large numbers of members of the Canadian Armed Forces and their families and military personnel of the United States. The figures for the last pre-war year, that is, for the twelve months ended June 30, 1939, showed imports of skins and furs valued at \$513 all originating in Canada. More recently the figures for the twelve months ended March 31, 1944, show imports of undressed skins and furs at \$1,817 and imports of dressed skins and furs not made up at \$472.

Duties

Undressed skins and furs of all kinds enter Newfoundland free of duty, while skins and furs dressed and not made up are subject to an ad valorem duty of 40 per cent irrespective of country of origin, plus a special War Revenue Tax at $7\frac{1}{2}$ per cent.

ECONOMIC, TRADE AND PRODUCTION NOTES

Argentina

NATIONAL INCOME IN 1941

The Argentine Government has issued an official estimate of the national income of the country for the year 1941, the estimate representing the results of the first official effort in this field in Argentina, writes Mr. J. A. Strong, Canadian Commercial Attaché at Buenos Aires. There has been no complete national census taken since 1914, although a census has been taken of the agricultural and manufacturing industries.

The present estimate places the national income at the equivalent of \$3,606 million for 1941. The agricultural industries account for 24·2 per cent of this figure and the manufacturing industries for 16·4 per cent. The economic activities coming under distribution account for 27 per cent, including 21·7 per cent for trade and commerce. Services, including government, finance, urban real estate, the professions, etc., represent 25·7 per cent of the aggregate, according to this

estimate, government services alone accounting for 15·7 per cent.

Following are figures of the estimate by main headings converted into Canadian dollars:—

1. Producing industries, total	\$1,717,828,666
Live-stock raising	386,100,000
Agriculture	484,604,664
Manufacturing	589,906,000
Bees, furs, fish and various..	32,666,666
Forestry	40,395,000
Mining	21,299,332
Construction	35,216,666
Electricity and gas	44,307,000
Amortizations for manufacturing, mining, construction, electricity and gas..	83,333,333
2. Distribution, total	970,420,995
Communications	192,826,662
Radio-telephone	1,666,666
Telephones	19,893,332
Telegraphs	3,909,666
Transport	167,356,998
Wholesale and retail trade..	777,594,333
3. Services, total	917,952,333
Government: national, provincial and municipal....	563,066,665
Finance: commercial banks; insurance, investment and savings companies	65,775,330
Urban real estate	234,298,332
Liberal professions	54,812,000

Land rent accounts for \$122,215,333 of the total for live-stock raising, with

forage for stock at \$98,490,000 the second item in size. Under agriculture, cereals and vegetable oils are first at \$159,947,666, followed by land rent at \$143,020,000 and fruit at \$72,017,000. Wages and salaries account for \$377 million of the total estimate of nearly \$590 million for manufacturing industries and profits for nearly \$213 million.

Argentina has a population of 13,463,000 in 1941. With a national income of \$3,606 million, the per capita income in that year would therefore be \$266.34. Without any allowance for differences in methods, this figure compares with \$475 in 1940 for Canada.

Australia

HYDRO-ELECTRIC DEVELOPMENT PLANS

Two major hydro-electric power developments are planned for the immediate post-war period and will take care of much of New South Wales' electricity requirements.

The North Coast scheme favours harnessing the waters of the Clarence River, and the South Coast one of the waters either of the Snowy or Shoalhaven Rivers. The former, known as the Clarence Gorge scheme and estimated to cost some £5,000,000, will entail the construction of a dam and power house 103 miles from the mouth of the Clarence River, at a site immediately below its junction with the Mitchell River.

The dam, which will be the largest in Australia, will back up the waters of the two rivers for some 80 miles, establishing a reservoir of 93,155,000,000 cubic feet. The water will be drawn through a two-mile pressure tunnel and the power generated will serve the northern part of New South Wales and southern Queensland. Brisbane will benefit by this development to the extent of 50,000 k.w. at a cost of 1s. 2d. per k.w. hour.

The final plan for the southern scheme has not yet been decided upon, but the most favoured proposal calls for the utilization of Snowy River waters and a concentration on the pro-

duction of electrical power rather than irrigation.

Estimated cost for the proposal is £10,600,000, of which 80 per cent would be labour costs. Development would include a 15-mile tunnel through granite with an 1850 drop, an underground turbine power-generating station, and a secondary dam.

The electric power will be distributed to Canberra and Sydney and intermediate towns, with a sideline to Port Kembla, by 265 miles of high-tension wires carried on steel towers.

RECIPROCAL LEND-LEASE

Up to June 30, 1944, expenditure by Australia on reciprocal Lend-Lease to United States forces totalled £169,383,000, of which £109,400,000 was incurred during 1943-44.

Owing to the changing trends of war in the Pacific, it is difficult to anticipate the reciprocal aid which Australia would provide in the current year, but provision has been made by the Treasury for the expenditure of approximately the same amount as in 1943-44.

The largest single item is food, but the services and goods supplied to the United States forces comprise: technical equipment, including weapons, ammunition and wireless units; motor transport, including supply and assembly of motor vehicles; spare parts and motor transport services; aircraft stores and equipment, including servicing of United States aircraft and spare parts; general stores, including clothing, camp equipment, medical and dental stores; transport and communications, including rail, sea and air fares and freights and maintenance of transport aircraft, postal, telegraph, telephone and teleprinter services; shipping, including charter and repair of ships, stevedoring and port services; works and buildings, including camp accommodation, hospital construction, aerodrome preparation and storage facilities.

DECREASE IN WAR EXPENDITURE

War expenditure for the three months ending September 30, 1944, was

£111,488,000, which is at the rate of £445,952,000 for the full year. The budget estimate was £505,000,000. Should the decline in the September quarter be maintained during the remaining three quarters of the year ending June 30, 1945, total expenditure will therefore be some £60,000,000 below the budget estimate.

It is anticipated that increased demands for supplies and reciprocal aid later in the year will offset the progressive releases from the Army and Air Force to meet manpower demands. It is probable, however, that the budget expenditure estimates will not be reached for the second year in succession.

BANKING STATISTICS

The aggregate figures for the nine Australian trading banks for the quarter ended September 30, 1944, show that banking funds are in a state of unprecedented liquidity.

A reduction in loans from a weekly average of £290·7 million in 1939 to £215 million in September of this year has been brought about by wartime restrictions on lending, while at the same time government war spending has led to a growth in deposits with the trading banks from £325·5 million to £542·6 million. Thus the liquid assets of the banks have increased by about £292·8 million, most of which has been placed either directly or indirectly at the disposal of the Government.

The holdings by trading banks of government and municipal securities have increased by £100 million from £22·1 million, with treasury bill holdings rising from £23·2 to £57·6 millions. The banks have placed £183·1 millions with the Commonwealth Bank as special wartime deposits at a nominal rate of interest.

RISE IN PERSONAL INCOMES

During the financial year 1943-44 personal incomes in Australia increased to more than £1,200,000,000 from £730,000,000 in 1938-39.

Total annual net personal savings have reached the sum of £320,000,000

from £50,000,000, while during the same period savings in the form of war savings certificates have increased by £44,000,000 and non-interest bearing deposits with the trading banks by £195,000,000.

TRACTOR BOUNTY AND IMPORTS

The Commonwealth Parliament in 1944 passed the Tractor Bounty Bill, which provides for an increase in the present aggregate annual bounty from £35,000 to £100,000 on the production of internal-combustion-engine-type tractors, for a period of three years.

The proposed rates are the same as those provided for in the Tractor Bounty Act of 1939, the bounty per tractor being £32 for tractors exceeding 12 h.p. but not exceeding 18 h.p.; £40 for those exceeding 19 h.p. but not exceeding 25 h.p.; £56 for tractors over 25 h.p. but not exceeding 35 h.p.; and £75 for those over 35 h.p.

The bounty is to be paid if not less than 90 per cent of the materials and parts used are of Australian origin. Where the Australian materials are less than 90 per cent and more than 60 per cent, the bounty will be reduced in exact proportions, and where less than 60 per cent of Australian materials are used no bounty will be paid.

Australian tractors only meet a very small part of the demand at the present time. It was anticipated that the number of tractors imported during 1944 would total more than 7,300 as compared with 2,000 in 1943 and a pre-war average of 1,500.

Previous wartime tractor imports have been used in vegetable production, but it is expected that a large proportion of those now coming into Australia will be diverted for use by growers of wheat, oats, barley and other fodder crops.

New Zealand

BUTTER AND CHEESE

The Government's appeal for greater dairy production to meet Britain's needs has resulted in a good increase in the number of cows for milking. In

normal circumstances many of these cows would have been sent to the freezing works for beef purposes, or turned over to graziers.

An additional allowance of fertilizer is being granted farmers this season based on the number of cows milked last season and the number it is proposed to milk in the coming season.

Nearly 1,000 tons of butter were graded for export in New Zealand during June, although that month is regarded as practically the depth of the off-season in the dairying industry. This result was an increase of some 240 per cent on the quantity of 290 tons graded in June, 1943. Cheese gradings for the same month were up by 30 per cent in comparison with June last year.

While several factors contributed to this result, the important point is that every pound of butter available was apparently being diverted to Britain's needs. An unusually productive autumn (March, April, May), with a good growth of pastures right into the cold wet months, kept production up to a high level. Butter rationing released more export butter and changes in the disposition of Allied troops also probably freed quantities of butter for export.

For the eleven months ended June approximately 104,000 tons of butter were graded for export, a decrease of slightly over 2 per cent on the quantity graded in the same months of the previous year. On the same basis of comparison, cheese with an export grading of around 85,300 tons was almost 12 per cent lower.

In butter-fat equivalent the gradings show a decrease of 6·7 per cent for the eleven months of the 1943-44 season in comparison with the same period of the 1942-43 season, and a decrease of 18·3 per cent compared with the corresponding period of the 1941-42 season. The butter-fat equivalent, however, is no longer a true indication of production, owing to changes in the disposal of produce due to the war.

Calculated on a butter-fat basis the total New Zealand production of dairy produce for the 1943-44 season as com-

pared with 1942-43 showed a reduction of approximately 5½ per cent, which was nearly 20 per cent below the peak year 1940-41. The principal reasons for the decline were: weather conditions, reduced quantities of fertilizer, and insufficient labour. The level reached was the lowest of any of the war years and it was only a remarkably good autumn which averted a further serious drop.

LIVE STOCK

Official statistics of live stock in New Zealand as at January 31, 1944, with comparative figures for 1943, are as follows:—

	1943	1944
Total cattle	4,447,548	4,440,202
Cows in milk at any time during season	1,714,959	1,648,110
Heifers not yet in milk..	104,455	123,763
Cows not in milk during season but intended for milking in future	47,676	51,929
Other cows and heifers, two years old and over	775,296	744,521
Heifers, dairying, under two years old	607,611	630,440
Other heifers, under two years old	348,690	379,445
Steers and bulls of all ages	848,861	861,994
Total pigs	604,574	572,811
Pigs, under one year old..	507,502	481,472
Pigs, one year old and over:		
Boars	15,049	14,144
Sows	82,023	77,195
Total horses	236,455	225,945
Sheep shorn during season	29,636,331	29,790,614
Lambs shorn during season	4,869,884	5,040,463
Lambs tailed during season	18,864,892	18,414,480

NEW PRICE OF WHEAT AND OATS

As a measure to arrest the decline in the acreage sown to wheat the last two seasons, the f.o.b. price to be paid to farmers for the 1944-45 crop will be raised from 6s. 2d. to 6s. 6d. a bushel, according to an announcement by the Minister of Supply. Flour millers purchase the wheat from the Government at about 4s. per bushel.

In making the announcement the Minister stated that if the acreage harvested in the 1944-45 season was to reach normal levels there would need to be considerably larger sowings. It was reckoned that the price increase would achieve this.

At a meeting of the United Wheat Growers New Zealand Ltd., which was attended by delegates from all the wheat growing areas in the South Island, the opinion was unanimously expressed that the increase in price would not be sufficient to bring about the required increase in production during the 1945-46 season, and that a minimum price of 7s. per bushel should be set for that season. The Government agreed to meet representatives of the industry on the subject of the price to be paid for the 1945-46 season.

An increase was also announced in the price for white oats from 3s. 6d. to 3s. 8d. per bushel. It is hoped that this will encourage a greater production of white oats, not only to supply the local markets, but to enable New Zealand to fulfil British war contracts for oatmeal.

ONIONS

To meet all civilian and armed forces needs, it is estimated that 2,000 acres of onions are required to be grown in the 1944-45 season. The area planted in the last season was approximately 1,000 acres, which has been the average for a number of years. Exports of onions in 1943 amounted to 17,533 hundredweights valued at £20,515 as compared with 26,389 hundredweights valued at £17,299 in 1942. No imports of onions were recorded in 1943, 350 tons being imported from Canada in 1942.

In order to encourage growers to increase production, the Stabilization Commission has approved of increases in contract prices paid for onions. It was recommended that contract prices should be revised to provide for an all-round increase, particularly during the flush of the season. The Internal Marketing Division of the New Zealand Government has stated that the prices at which merchants will be prepared to contract with growers on behalf of the Division for 1945 delivery will be: January, £14 a ton; February, £13; March and April, £12; May, £13; June, £15; July, £16; August, £19; September, £22; October, £25; November, £30. These prices are net to growers on trucks at nearest railway

stations and are for fair average quality onions only. For pickler grade the market is open, with a ceiling to growers of £15 a ton for any delivery month. If any grower desires to contract for his pickler onions, merchants will do so on behalf of the Internal Marketing Division at £8 a ton on trucks.

MERCURY PRODUCTION

Cinnabar deposits at Puhipuhi, near Whangarei, were first worked for the mercury content over twenty years ago with varying success, but were abandoned. Experiments have been carried on by an Auckland syndicate over the last two years with plant that would be suitable for the recovery of mercury from cinnabar ore, and now, with the deepest open-cast mine in New Zealand and a modern plant, this mine is producing sufficient mercury to supply the greater part of the requirements of New Zealand and Australia.

Inability to secure adequate and suitable machinery has been the greatest problem that the mine-owners have had to overcome, but with the assistance of the Mines Department they have been able to secure part of their requirements. In spite of this lack of equipment, 130 feet of overburden of the cinnabar ore has been removed, requiring the shifting of over 1,000,000 cubic yards of rock and earth. The cinnabar ore, pinkish in colour, varies in depth from one inch to 14 feet and the vein is so broken that it is not possible to estimate the quantity of cinnabar available for treatment. Adjacent to the ore is found kaolin of high quality, which could be used for fine pottery or as a filler.

As the cinnabar is found in so many forms there is no standard machinery available for extraction of the mercury, and methods are used which have been found through trial and error to be most suited for the extraction of the mercury, some of these methods being new to the industry.

NEW ZEALAND RAILWAYS

According to the annual report of the New Zealand Railways for the year ended March 31, 1944, a satis-

factory service was maintained in the face of difficulties connected with equipment shortages and deterioration, manpower, and expanded traffic demands.

The financial results of the year's operations were a gross revenue of £15,325,306, an increase of 8·47 per cent over the previous year's figure, and expenditure of £12,757,336, an increase of 12·8 per cent. Net revenue at £2,567,970 is less by 9·1 per cent than the 1942-43 return and the net return on capital is reckoned at 3·7 per cent compared with 4·3 per cent for 1942-43.

In five years of war large arrears of maintenance and construction have naturally been piled up, especially as New Zealand is dependent on countries abroad for much of its railway equipment and materials. Funds put aside for deferred expenses in this respect are a factor in the increased expenditure during 1943-44.

The return to railway duty from service abroad of two railway-operating companies has eased the manpower situation somewhat. There are still, however, 5,440 railway men serving with the armed forces. This number represents 8·2 per cent of pre-war strength.

Details of working results for the year ended March 31, 1944, are: average miles open for year, 3,469 (3,403 in 1943); capital cost per mile of open lines, £20,262 (£19,851); percentage of total working expenses to gross earnings, 83·24 (79·99); net operating earnings per average mile open, £605 (£704 in 1943, £437 in 1942, £380 in 1941, and £243 in 1940); net operating earnings per train mile, 32·87d. (37·98d. in 1943, 25·43d. in 1942, 22·78d. in 1941, and 14·69d. in 1940).

INDUSTRIAL STOPPAGES

According to the report of the Labour Department, there were 108 industrial stoppages during 1943-44 as compared with 43 in the previous year. The disturbances involved lost time equivalent to 41,299 working days.

This loss of time compares with 26,123 working days in 1942-43. Of the total of 108 stoppages, 47 were in the mining industry, 20 in the meat-freezing industry, and 10 in shipping and waterfront employment.

United Kingdom

PROPOSALS FOR THE IMPROVEMENT OF INDUSTRIAL DESIGN

The Board of Trade has appointed a Council of Industrial Design to promote by all practicable means the improvement of design in the products of British industry, writes Mr. J. A. Langley, Canadian Trade Commissioner at London.

Industries will be invited to set up design centres to study and encourage the improvement of design of their own products. The Government propose to make financial grants to these centres on the recommendation of the new Council, whose main functions will be as follows:—

(a) To encourage and assist the establishment and conduct of design centres by industries, and to advise the Board of Trade on the grant of financial assistance to these centres;

(b) To provide a national display of well-designed goods by holding, or participating in, exhibitions, and to conduct publicity for good design in other appropriate forms;

(c) To co-operate with the education authorities and other bodies in matters affecting the training of designers;

(d) To advise, at the request of government departments and other public bodies, on the design of articles to be purchased by them, and to approve the selection of articles to be shown in United Kingdom pavilions in international exhibitions and in official displays in other exhibitions; and

(e) To be a centre of information and advice both for industry and for government departments on all matters of industrial art and design.

The functions of the design centres, whose activities the Council will co-ordinate, will be as follows:—

(a) To study the problem of design in relation to the products of the particular industry;

(b) To collect and make available to the industry information relating to changes in public taste and trade practice in home and overseas markets and to hold exhibitions both at home and oversea;

(c) To conduct and encourage research and experiment in the design of the products of the industry;

(d) To co-operate with the education authorities and other bodies for the training of designers and in the provision of special equipment, prizes and grants, and to arrange factory visits and training in factories for art students.

TRADE REGULATIONS AND TARIFF CHANGES

British Guiana

VALIDITY OF LICENCES FOR IMPORTS FROM CANADA AND THE UNITED STATES

In a notice of December 19, 1944, the British Guiana Controller of Supplies and Prices advises importers and agents, in order to avoid delay and possible loss, to inform their principals that orders should only be executed on valid import licences. An import licence, the notice states, is no longer valid if it has been cancelled by general notice or by other specific means, or if the expiry date endorsed on the licence has passed.

The notice states that shipments from Canada and the United States arriving on invalid licences are at present subject to the following procedure: (a) the quantity imported is deducted from the importer's 1944 quotas if there is a balance that can be used; (b) if (a) cannot be applied, the quantity imported is charged to the importer's quotas for 1945; (c) in cases where the importer has no quota he may be required to transfer the shipment to a quota holder.

It is emphasized that the foregoing procedure is not to be interpreted as meaning that powers of confiscation will not be used if the necessity arises, but it is hoped that with the co-operation of importers the utilization of these powers will be unnecessary.

United Kingdom

AMENDMENT TO REGULATIONS FOR SALE OF FLOUR

With reference to the notice published in *Commercial Intelligence Journal* No. 2125 (October 21, 1944), page 381, Mr. J. A. Langley, Canadian Trade Commissioner in London, writes that the Ministry of Food have amended the regulations relating to the sale of flour in the United Kingdom in the direction of a further reduction in the rate of extraction of "national" flour from 82½ per cent to 80 per cent. This amendment became operative on January 1, 1945.

United States

TARIFF-RATE QUOTA ON SEED POTATOES NEARLY FILLED

The United States Bureau of Customs announced on January 5 that the quota of one and a half million bushels of white or Irish certified seed potatoes admissible in the 12-month period beginning September 15, 1944, at a reduced rate of 37½ cents per 100 pounds, as provided by the Canada-United States trade agreement of November 17, 1938, was approximately 90 per cent filled. On this account, importers are required as from January 8, 1945, to deposit estimated duties at the full tariff rate of 75 cents per 100 pounds on all imports for consumption of certified seed potatoes, pending determination of the quota status of the importations.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 15, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 15, 1945, and for the week ending Monday, January 8, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 8	Nominal Quotations in Montreal Week ending Jan. 15	Official Bank Rate
Great Britain	Pound	4.866			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2752	.2747	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0575	.0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.6016	.6016	—
South Africa	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

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C. M. CROFT, Director

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E. L. MCCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

64
CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo de la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

London: J. A. Langley, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucom.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

	Page		Page
Summary of Regulations for Export Shipments	69	Imports into the United States of Products Under the Quota Provisions of the Trade Agreement	88
United Kingdom Government Bulk Purchasing	78	Trade Regulations and Tariff Changes: Canada: Export Permit Regulations Amended	89
United Kingdom Reconversion Plans	79	British West Indies: Import Control Requirements	89
Australian Wheat and Flour Situation	80	Exchange Conditions in Foreign Countries: Cuba, Haiti, Dominican Republic, Puerto Rico and the United States Virgin Islands	89
Agricultural and Pastoral Production in Queensland, 1943-44	80	Peru	89
Argentine Grain Purchase Programs	82	Foreign Exchange Quotations	90
Current Situation in the Cuban Market for Dried Fish	83	Commercial Intelligence Service	91
Economic, Trade and Production Notes	83		
Canada's Export Trade in 1944	85		

SUMMARY OF REGULATIONS FOR EXPORT SHIPMENTS

By H. W. BRIGHTON, *Director, Export Section, Shipping Priorities Committee, Ottawa*

The majority of Canadian exporters are familiar with the procedure necessary to make shipments to foreign countries. However, from time to time notices have appeared in the *Commercial Intelligence Journal* bringing

procedure up-to-date, and it is with a view to consolidating this information as it affects the shipment of civilian merchandise that the following data are summarized.

I. SHIPMENTS VIA UNITED STATES PORTS TO CERTAIN FOREIGN DESTINATIONS

Latin America

Freight space applications (Form E-1, Revised) are not required, except in the case of newsprint, for shipments to the following Latin American countries:—

Bolivia
Brazil
Chile
Colombia
Costa Rica

Cuba
Dominican Republic
Ecuador
El Salvador
Guatemala

Haiti	Panama
Honduras	Paraguay
Mexico	Peru
(except all rail)	Uruguay
Nicaragua	Venezuela

Rail Shipments to Mexico

For some considerable time the congestion on the National Railways of Mexico have made it necessary to place all rail traffic when routed on or

via the National Railways of Mexico, or when consigned to gateways leading into Mexico, under strict control.

All rail shipments to Mexico, therefore, require first a priority issued by the Mexican Government and, after this is obtained, a permit must be secured before a shipment is made. The preliminary approval given by Mexican Government Officials does not authorize the loading or forwarding of cars to Mexico. The actual shipment cannot be authorized unless and until an official permit has been issued by Mr. H. J. Arnett, Assistant to the Chairman, Car Service Division, Association of American Railroads, Transportation Building, Washington.

Effective November 1, 1944, all permits must carry a letter or letters as part of the permit number. Such permits will specify the gateway through which shipments may be routed, and the permit letter will so indicate (LD-Laredo; BV-Brownville; EGP-Eagle Pass; ELP-El Paso). Unless the gateway routing is observed, such permits are invalid.

Argentina

Freight space applications (Form E-1, Revised) must be filed with the Shipping Priorities Committee, West Block, Ottawa, for all shipments of 2,240 pounds or over to Argentina.

Other Destinations

In the case of the destinations listed below, after an import licence and/or an export permit, when required, has been obtained, freight space applications must be applied for on Form E-1, Revised and submitted to the Shipping Priorities Committee, West Block, Ottawa. It will be observed that applications covering shipments to destinations such as the African and West Indian colonies are only called for when shipments are of 2,240 pounds or over, while those for Middle East destinations are required for all shipments irrespective of weight.

French Possessions in the South Pacific
(Applications are required for all shipments regardless of weight)

French Oceania.
Clipperton Island
Gambier Island
Marquesas Island
Raiatea Island
Society Island
Tahiti
Tuamotu
Tubuai
New Hebrides (British and French Condominium)
New Caledonia, including Loyalty Islands and Wallis Archipelago

African and West Indian Colonies
(Applications required for shipments of 2,240 pounds or over)

Angola (Port. W. Africa)
Belgian Congo
British West Africa, including Nigeria, British Cameroons, Gambia, Sierra Leone, Gold Coast, including Ashanti and Northern British Togoland
French Cameroons
French Equatorial Africa
French Guiana
French West Indies, including Desirade, Guadeloupe, Les Saintes, Martinique, Marie Galante, St. Martin (northern part), and St. Bartholomew

Liberia
Madagascar
Mozambique (Port. E. Africa)
Reunion

British South Pacific Islands
(Applications required for shipments of 2,240 pounds or over)

Fiji
Solomon Islands
Gilbert and Ellice
Pitcairn
Tonga or Friendly Island
Santa Cruz Islands

Middle East Destinations
(Applications required for all shipments regardless of weight)

Aden
Anglo-Egyptian Sudan
British Somaliland
Cyprus
Egypt
Eritrea
Ethiopia
French Somaliland
(French Somali Coast)
Iran
Iraq
Kamaran Island (Aden)
Khorya-Morya Island (Aden)

Lebanon
Libya
Palestine
Perim Island (Aden)
Saudi Arabia
Sokotra Island (Aden)
Syria
Trans-Jordan
Yemen

French West Africa

(Applications required for shipments of 2,240 pounds or over)

French West Africa, including
Mauritania
Senegal
French Guinea
Ivory Coast
Togoland
Dahomey
French Sudan
Niger

Procedure

To facilitate the maintenance of Canada's export trade to the areas mentioned above (exclusive of Latin America) and to conform to a similar system which has been introduced to control United States' exports to the same destinations, *when shipments are to be made from a United States port*, exporters of commodities requiring export permits will apply as usual to the Export Permit Branch for their export permits. Exporters must then complete Part I of Form E-1, Revised in septuplicate and forward the application to the Shipping Priorities Committee, West Block, Ottawa.

When the application for freight space is approved, the Shipping Priorities Committee will advise the shipper of the Canadian number which the shipper should use as his reference in all correspondence with the Committee concerning a particular application. Approved applications, with the exception of those for newsprint, will then be forwarded to the Office of Foreign Economic Administration, New York, for the allotment of shipping space. When approved and F.E.A. serial numbers have been assigned, two copies will be stamped "Certified for Booking" and will be sent by Foreign Economic Administration to the person indicated in answer to question 14 on Form E-1, Revised.

Upon receipt of the certified forms, the exporter or his forwarding agent, whichever is designated under item 14, may arrange for a tentative booking with the steamship company serving the intended destination.

Upon completion of a firm booking, the steamship company will return one copy to the exporter and retain the other.

An O.D.T. permit, when required (i.e., for shipments of 20,000 pounds or more), will be obtained by the Canadian shipper from the Transport Controller, Montreal, in the following manner:

When a space booking has been arranged with a steamship operator, the shipper or his shipping agent will complete Part 1-A of the two copies marked "Certified for Booking", which he has received from Foreign Economic Administration, as well as three additional copies of Form E-1, Revised, prepared by the shipping agent.

The steamship operator will complete Part II of these five copies and return them to the shipper for transmittal to the Transport Controller in Montreal, who in turn will insert the O.D.T. permit number in Part III of the copies on behalf of the Manager, Port Traffic, Association of American Railways, which has taken over from the War Shipping Administration the control of rail movements to United States ports of exit.

The shipper will receive two copies of the form with his O.D.T. permit number and will be required to surrender one copy to the agent of the initial Canadian railway carrying the shipment. The O.D.T. permit number, with effective and expiry dates, must be shown on railway bills of lading and way bills.

Shipments weighing less than 20,000 pounds do not require O.D.T. permits, but shippers must show their steamship booking references (contract numbers) on railway bills of lading.

If a shipment has not been booked with a steamship company nor an O.D.T. permit issued within 90 days after space application has been ap-

proved, the application will be cancelled and one copy returned to the shipper, who may file a new application.

In case of shipments to destinations other than Latin American countries, if the entire shipment is not made on one vessel, the application becomes invalid for movement of the remainder of the merchandise. The exporter may submit a new application for shipment of the remainder if its quantity is such as would ordinarily require submission of an application.

Freight-space applications generally are not necessary for shipments of less than 2,240 pounds (except to Middle East countries) and should be booked in the usual way by direct contact between exporter and shipping lines. It is not permissible, however, for an exporter to split his shipments into less than 2,240-pound lots for the purpose of arranging direct booking with a steamship company instead of applying to the Shipping Priorities Committee on an application for freight space (Form E-1, Revised).

Instructions

Applications may be submitted either by exporters or their agents in Canada or the United States, but cargoes which originated in Canada must be covered by the proper Canadian revised E-1 form.

The names of the consignees and purchasers in the foreign country are required. Questions 5, 6 and 7 of the form refer to firms in the specified foreign countries and not to buyers or forwarding agents in the United States.

Gross weight must be shown in tons of 2,240 pounds, and approximate cubic measurements should be shown in cubic feet.

A full description of the goods is required to facilitate statistical classification. An indication of the "end use" is usually the most satisfactory description.

It is recommended that applications be filed for small tonnages, viz., 50 to 100 tons, rather than filing one application for a large quantity for each port. This permits greater flexibility in ap-

proving applications to meet the shipping situation.

Details of the export permit must be supplied in answer to questions 8 and 9 of the form.

Consolidations.—A single freight-space application, Form E-1, Revised, may be used to consolidate various orders to one or more ultimate consignees or purchasers, provided the shipment is from a single consignor to a single consignee. Thus a freight forwarder may consolidate shipments from several exporters and submit a single freight-space application to cover the entire shipment when only one consignee is to receive the goods at the foreign port of discharge.

Multiple Consignees.—One application may be filed for freight space covering the shipment of various commodities for delivery to a number of consignees at a single port, provided the aggregate weight of such shipment exceeds 2,240 pounds. The names of the proposed consignees are not to be stated on the freight-space application, but a list of these consignees, with their addresses, should be attached to each of the seven copies of the Form E-1, Revised, submitted. The list must be typewritten, single space, in a vertical column and there must be no erasures or alterations.

In all correspondence regarding applications, the Canadian application number, the consignee and commodity should be mentioned in order that the application may be readily identified.

Care should be taken not to duplicate applications for freight space.

The Shipping Priorities Committee should be advised of any cancellations of applications made by exporters or their agents in Canada or the United States.

Application forms E-1, Revised, covering shipments originating in Canada may be obtained from the Freight Agents of the Railways, from Boards of Trade or Chambers of Commerce in the larger centres, the Canadian Manufacturers' Association, or direct from the Shipping Priorities Committee, West Block, Ottawa.

II. SHIPMENTS FROM CANADIAN PORTS TO MIDDLE EAST AND AFRICAN COUNTRIES

In order to assist Canadian exporters in clearing their shipments to Middle East countries through Canadian ports, thereby making it unnecessary to file Form E-1, it has been found necessary to request that the following information be furnished to the Ministry of War Transport of the United Kingdom at Montreal as soon as advice is received that an import licence has been issued by the authorities in the country of destination.

In order to ensure maximum assistance, information as outlined below is specifically required:

1. Shipper's name.....
2. Shipper's address.....
3. Export licence and number.....
4. Commodity
5. Port of discharge.....
6. Number and type of packages.....
7. Gross weight
8. Cubic measurement.....
9. Location of goods.....
10. When ready for shipment.....
11. If shipment handled by forwarding agent (give name and address).....

Address your letter containing the above information to: Mr. W. M. Kirkpatrick, Director Freight Traffic, Ministry of War Transport of the United Kingdom, Room 284, Windsor Station, Montreal, P.Q.

It will be noted above that the exporter is requested to communicate with the Ministry of War Transport of the United Kingdom as soon as he is in possession of an import licence or has been informed that one has been issued. It is understood that a firm booking cannot be made until the exporter has received an export permit.

The foregoing information is required in order to enable the Ministry of War Transport of the United Kingdom, Montreal, to plan space in advance and thus endeavour to have available sufficient cargo space to take care of the cargo offering from Canadian ports to the following countries:

Angola (Portuguese West Africa)
Belgian Congo
British West Africa, including Nigeria,
British Cameroons, Gambia, Sierra Leone, Gold Coast, including Ashanti and Northern Togoland
French Cameroons
French Equatorial Africa
Aden
Anglo-Egyptian Sudan
British Somaliland
Cyprus
Egypt
Eritrea
Ethiopia
French Somaliland (French Somali Coast)
Iran
Iraq

French West Africa, including Mauritania, Senegal, French Guinea, Ivory Coast, Dahomey, French Sudan, and Niger
Liberia
Madagascar
Mozambique (Portuguese East Africa)
Reunion
Kamaran Island (Aden)
Khorya-Morya Island (Aden)
Lebanon
Libya
Palestine
Perim Island (Aden)
Saudi Arabia
Sokotra Island (Aden)
Syria
Trans-Jordan
Yemen

Should circumstances be such that cargo offering cannot be cleared through a Canadian port and the exporter wishes to ship via a United States port, the exporter must complete Form E-1, Revised, and forward it to the Shipping Priorities Committee, West Block, Ottawa.

III. SHIPMENTS TO OTHER COUNTRIES

Shipping priorities on exports to other countries are administered by the officials or agencies listed below:—

Australia

Apply to the Australian War Supplies Liaison Officer, 440 Bank Street, Ottawa.

Bahamas

At present the only means of shipping to the Bahamas is by small schooners plying between Nassau and Miami. Exporters should request their agents or the importer in Nassau to make arrangements for space with the operators of these vessels.

Bermuda

Applications for shipping space should be directed to Bermuda Government Office, 30 Broad Street, New York City. Copies of the application should also be sent to the British West Indies Shipping Division, Department of Trade and Commerce, West Block, Ottawa, and to the Alcoa Steamship Company, 276 St. James Street West, Montreal.

British Crown Colonies, East Coast of Africa and Ceylon

The exporter files space applications in quintuplicate with British Colonies Supply Mission, 908 G Street, N.W., Washington, D.C., who assign a priority rating. When this is obtained, shippers arrange space direct with steamship companies serving this area.

British Honduras

Under an Order made by the Controller of Imports on November 2, 1942, and effective from that date, British Honduras importers are required to submit to the Competent Authority applications for shipping space for all goods to be imported from Canada or the United States.

The procedure to be followed is that the importer prepares each application in triplicate, which he partially completes and sends to the supplier along with the order and triplicate copy of the import licence. The supplier com-

pletes the application by filling in the export permit number and the requisite details as to weight, measurement, marks and numbers and location of the goods and returns it to the importer, who in turn submits it to the Import Control Office for space allotment. When space has been allocated, importer and supplier will be duly informed. Canadian suppliers are advised to make sure before they ship that the space allocation permit has been definitely granted, otherwise an O.D.T. permit will not be issued by the Transport Controller, without which the goods cannot be shipped through a United States port.

British West Indies (Eastern Group) and British Guiana

This group consists of St. Kitts—Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, The Grenadines, Grenada, Trinidad, Tobago, and British Guiana.

Acting on behalf of the British Colonies Supply Mission and the Canadian Shipping Board, the Department of Trade and Commerce, Ottawa, has undertaken the allocation of shipping space for all Canadian cargo for the Eastern Group, irrespective of whether this traffic is loaded at a Canadian or United States port. In making application for shipping space the procedure is as follows:—

Foodstuffs.—Upon receipt of an export permit, the shipper states his requirements in a letter outlining commodity, weights and measures to: B.W.I. Shipping Division, Department of Trade and Commerce, Ottawa.

Non-foodstuffs.—The exporter completes application in quadruplicate on standard form as reproduced hereunder, mailing two copies to the British Colonies Supply Mission, West Indies Section, McGill Building, 908-14 G Street, N.W., Washington, and two copies to the British West Indies Shipping Division, Department of Trade and Commerce, Ottawa. Both offices will acknowledge receipt of applica-

tions by returning a copy with a reference number affixed.

When space is available, the B.W.I. Shipping Division programs the cargo for the steamship company who calls out the cargo accordingly.

permits are required only in the case of shipments comprising a carlot of 20,000 pounds or more. Their purpose is to regulate the movement of goods so as to prevent congestion of port facilities.

Space Application Form for Non-foodstuffs When Shipped to British West Indies

Application for assistance in obtaining cargo space must be submitted in quadruplicate as follows:—

1. B.C.S.M. Reference No.
(To be filled in by B.C.S.M.)
2. Name of Purchaser in the Colonial Territory.....
Address
3. Port of Discharge.....
4. Import Permit No.
5. Name of Supplier in Canada or the United States.....
Address
6. Forwarding Agent.....
7. Usual Port of Loading.....
8. Export Permit Number.....
9. Details of Commodity.....
.....
.....
10. No. of Packages.....
11. Gross Weight in Lbs.
12. Measurement in Cu. Ft.
13. Location of Goods.....
14. Can Deliver to Pier on Days' Notice.
15. Specific Use for which Goods are Required.....
.....

This form may be reproduced.

Recommended
Application No.
Authority

Note.—Where suppliers have contracts with either government or commercial interests in any of the British West Indies Colonies, a new application should be forwarded in respect of each monthly shipment.

O.D.T. Permits

The Transport Controller, Montreal, acts on behalf of the United States War Shipping Administration (W.S.A.) and the Association of American Railroads with respect to the issuance of O.D.T. permits, which enable goods to be railed to United States ports. Exporters will receive an O.D.T. permit number from the shipping company with their space contract. In this connection it should be borne in mind that O.D.T.

Steamship Lines

Canadian cargo is carried by the following steamship lines to the destinations indicated:—

Alcoa Steamship Company Inc.,
276 St. James St. W., Montreal:
to Bermuda, British Guiana, Trinidad.

Canadian National Steamships,
384 St. James St. W., Montreal:
to Jamaica, Trinidad, Barbados, the
small islands of the Eastern Group,
and British Guiana.

Furness-Withy Co. Ltd.,
315 St. Sacrament St., Montreal:
to Barbados, British Guiana, Trinidad.

Pickford & Black, Ltd.,
Halifax, N.S.:
to Jamaica, Barbados, Trinidad.

Eire

When it is necessary to obtain an export permit, or, if shipment is to be made from a United States port, application is made to the Export Permit Branch, 220 Queen Street, Ottawa, who in turn clear it with the British Ministry of Economic Warfare, London. When clearance is effected, the importer in Eire arranges for shipping space in Dublin and advises the Canadian exporter.

France

Private trading with France is not permitted at present. Should Canadian exporters wish information pertaining to orders which they have received with regard to France, they should communicate with the Secretary, French Supply Council, 1523 New Hampshire Avenue, N.W., Washington 6, D.C.

Gibraltar

There are occasional direct steamers to Gibraltar. Exporters should make application to British Ministry of War Transport, 25 Broadway, New York City, marking the letter for the attention of Mr. Ferguson Smith.

Greenland

Communications should be addressed to Greenland Section, Danish Consulate General, 17 Battery Place, New York City.

Iceland

Shippers of commercial cargo should state their requirements of space to the railways, which in turn will advise the exporter when a steamer is posted for a direct sailing.

India

Apply to: The India Supply Mission, Barrister Building, 635 F Street, N.W., Washington, D.C.

Jamaica and Grand Cayman

The allocation of cargo space for shipments to Jamaica is controlled by the Chairman, Imports, Exports and Prices Board, Kingston, Jamaica, who supplies detailed space allocations for each shipping opportunity to the Canadian Shipping Board, which issues the necessary authorization to the steamship company concerned. Importers in Jamaica are informed of such allocations, and they in turn inform Canadian exporters. All applications for space should be made to Mr. Leys Brown, 530 Mountain Street, Montreal, who represents the Jamaican Government in Canada.

A small motor schooner operates regularly between Kingston, Jamaica, and the Cayman Islands. The agents of this schooner are Messrs. B. L. Williams & Company, 12 Port Royal Street, Kingston, Jamaica. Canadian exporters should make application for space as in the case of Jamaica and consign goods destined for the Cayman Islands to the agents of the operators of the schooner for transhipment from Kingston, Jamaica.

Netherlands West Indies and Surinam

All orders from the Netherlands West Indies (Curacao, Aruba, Bonaire, St. Eustatius, Saba) and Surinam (Dutch Guiana) are subject to approvals by local purchasing bureaux, i.e., Incu Aruba, Incu Curacao (for Curacao and other islands), and Surinkoop for Paramaribo, Surinam.

Netherlands West Indies and Surinam importers who wish to place orders for procurement in Canada must obtain approvals on so-called "Curaforms", "Aruforms" and "SIC's" for Curacao, Aruba, and Surinam respectively. If such orders are approved, they are forwarded by these bureaux to the Netherlands Purchasing Commission, New York: this Commission transmits these orders to the Canadian suppliers.

These Curaforms, Aruforms and SIC's are transmitted to the Canadian suppliers in duplicate, the original being

the actual order. The duplicate will be certified by the Netherlands Purchasing Commission. This certified copy must be submitted by the Canadian supplier with his application for a Canadian export permit to the Export Permit Branch, Department of Trade and Commerce, Ottawa; without this certification, no export permit will be granted.

If and when a Canadian export permit has been obtained, the Canadian supplier should then apply to Messrs. Funch, Edye and Company, 25 Broadway, New York, who are the agents for the Royal Netherlands Steamship Company, for shipping space to the Netherlands West Indies and Surinam.

Newfoundland

Shipping space is controlled by the Secretary, Newfoundland Transportation and Control Board, St. John's Newfoundland. Exporters may communicate with Shipping Limited, Board of Trade Building, Montreal for further information.

New Zealand

Apply to: New Zealand Supply Mission (P.O. Box 382), 140 Wellington Street, Ottawa.

North Africa (French Morocco, Algeria, Corsica and Tunisia)

Ordinary commercial trading is not permitted. Over-all requirements are screened through various committees a final breakdown being arrived at in Washington by representatives of the British and Canadian Embassies and the Foreign Economic Administration. Further information may be obtained from: the Secretary, French Supply Council, 1523 New Hampshire Avenue, Washington 6, D.C.

Northern Rhodesia

Upon receipt of an "Import Certificate", applications for priority in shipping space are made in sextuplicate to: Mr. A. McDonald, British Colonies Supply Mission, McGill Building, 908 G Street, N.W., Washington, D.C.

When priority rating is established the exporters deal directly with the shipping company.

Portugal, Madeira and Cape Verde

Arrangements for shipping space are made through the Portuguese Purchasing Trade Mission, 630 Fifth Avenue, New York 20, N.Y.

Puerto Rico

An approved shipping form is received with the order. This approved shipping form must be completed and sent to "Division of Territories", Department of the Interior, Washington, who in turn certifies the space to the steamship company. The steamship company then issues a steamer contract to the exporter.

Russia

No ordinary commercial transactions may be undertaken at present. Canadian firms desiring information should communicate with the Embassy of the Union of Soviet Socialist Republics, 285 Charlotte Street, Ottawa.

Southern Rhodesia

Upon receipt of an "Import Certificate", applications for priority in shipping space made in sextuplicate to: Mr. B. F. Wright, Southern Rhodesian Representative, 907 Fifteenth Street, N.W., Washington, D.C.

When priority rating is established, exporters deal directly with the shipping company.

Spain

Shippers are at liberty to make their own arrangements for shipping space after blockade numbers are obtained through the Export Permit Branch, Ottawa.

Spanish Morocco

Application is first made to the Export Permit Branch, Ottawa. They in turn communicate with the British Ministry of Economic Warfare, London, England, and, if the shipment is

in order, shipping space is then provided.

Sweden

The exporter should communicate with the Swedish Government Cargo and Clearance Committee, Room 970, 630 Fifth Avenue, New York City, for shipping space. This Committee receives the necessary detailed information direct from Sweden.

Turkey

Decisions regarding supplies are made by the Anglo-American Co-ordination Committee, Ankara. For shipments made via Alexandria, communicate with: McLean Kennedy Ltd., 410 St. Nicholas Street, Montreal, Quebec.

Union of South Africa

On receipt of an order, the exporter applies to South African Government Supply Mission, 907 Fifteenth Street, N.W., Washington 5, D.C., who issue a shipping priority. On receipt of a priority, the exporter arranges for space direct with the steamship companies serving the Union.

United Kingdom

Import licences are obtained from London by the importer, and shipping space is regulated by the British Ministry. Exporters should communicate with Mr. W. M. Kirkpatrick, Director of Freight Traffic, British Ministry of War Transport, Windsor Station, Montreal.

Virgin Islands

An approved shipping form is received with the order. This form must be completed and sent to "Division of Territories", Department of the Interior, Washington, who in turn certifies the space to the steamship company. The steamship company then issues a steamer contract to the exporter.

SHIPPING INQUIRIES

Exporters requiring information or assistance with respect to shipping to countries or areas other than those covered in the foregoing summary, or who may desire specific information, are invited to communicate with the Director, Export Section, Shipping Priorities Committee, West Block, Ottawa.

UNITED KINGDOM GOVERNMENT BULK PURCHASING

By J. A. LANGLEY, *Canadian Trade Commissioner at London*

The British Federation of Commodity and Allied Trade Associations Limited, which includes in its membership representatives of the leading merchanting and brokerage organizations in the United Kingdom, has recently published a recommendation that, before the United Kingdom is committed to post-war schemes of government bulk buying, the whole subject should be thrown open to discussion and investigation. It is stated that the nature and significance of such operations should be made clear to those who are supposed to benefit but who may be prejudiced by them.

The Federation points out that the fundamental characteristic of these operations is that they are govern-

mental. It claims, however, that all the legitimate economic advantages of bulk buying have been secured in the past through the institutions which have developed under free trading.

The Federation asserts that the implication in all the new proposals is that a government can secure benefits which are not available under free and open trading. It is never clear to whom these benefits will accrue, since in many cases the same scheme is supposed to satisfy a producer demand for high prices and a consumer need for lower prices. In the past the bulk supplies of numerous commodities were secured through a market machinery characterized by specialized institutions (e.g. commodity exchanges),

specialized equipment (e.g. docks, warehouses, shipping), and specialized skill (e.g. merchanting) which is themselves greatly reduced the unit costs of the commodities and secured all the legitimate economic advantages of large-scale dealing. The organized commodity markets provided the organization for continuous trading in a wide range of qualities and grades; they correlated world supply and demand, made and maintained a current uniform world price, and at the same time provided insurance against seasonal fluctuations.

In wartime, with strategical considerations predominant, in a disrupted world market and in continuous conditions of extreme shortages which permit consumer choice to be over-ridden and refinements of quality and grade to be ignored, governments have been able to usurp trading functions and to operate largely independently of economic calculations. This state of affairs

might continue indefinitely to the detriment of the consumer, and, to conclude from wartime experience that trading in peacetime should be conducted by similar methods is, in the opinion of the Federation, unwarrantable. In the past a huge volume of transactions has proceeded, with the risks and responsibilities carried by individual traders, and disputes were in the main settled by arbitration within the trades without recourse to the ordinary law courts. Under this merchant regime, supplies were plentiful and economic to the consumer, and production increased to the benefit of the producer.

The Federation opposes any proposal to place commerce on a political footing and to substitute arbitrary authoritarian bargaining for free and open trading and issues a warning against the possibility of international friction which may arise under such a system of state bargaining.

UNITED KINGDOM RECONVERSION PLANS

By C. G. VENUS, *Office of the Canadian Trade Commissioner at London*

Further details of the United Kingdom Government's plans for the transition from war to peace production have been announced. The process of reconversion will be controlled by the Board of Trade through the medium of a new regional organization. Until the end of the war it will work in close association with the war production machinery of the Ministry of Production.

As emergency conditions disappear and industry returns to its normal activities, the Ministry of Production will diminish in importance, and the Board of Trade will gradually assume the direction of policy; but during the period of change-over close co-operation between the two departments will be required.

The new Board of Trade Regional Offices (of which thirteen have been established) are to maintain a continuous survey of industry in their areas with a view to obviating unemployment as much as possible. They

will also constitute centres of local information for industrialists.

Duties of Regional Controllers

The Regional Controllers will have four main functions, and their staffs will be formed accordingly. Firstly, they will supervise the reconversion of industry to peace production with particular reference to engineering, in which problems will be greater than elsewhere in the field of production.

Secondly, the Regional Controllers will deal with the de-requisitioning of factory and storage space and the allocation of surplus government factories. In this way the Board of Trade will be able to exercise a guiding influence on industrial location as well as on the order of release of factories commandeered for war work.

A third function will be the distribution of industry, with particular regard to the new "development areas", which are the districts in which unemploy-

ment was most persistent before the war. Various inducements, financial and otherwise, will be furnished where it is considered to be in the national interest that industries should be established.

Finally, the Regional Controllers will be concerned with the decon-

centration of civilian industry and the release of labour and material.

It will be apparent that the main purpose of the new arrangements is to decentralize the machinery of reconversion and thus prevent the creation of delays or bottlenecks in government departments in London.

AUSTRALIAN WHEAT AND FLOUR SITUATION

The Canadian Trade Commissioner at Melbourne has cabled regarding the wheat and flour situation at mid-January as follows:—

Australian wheat stocks at December 31, 1944, totalled 99,000,000 bushels. Harvesting has not yet been completed, but the new crop estimate is still 50,000,000 bushels. So that wheat users will obtain their fair share of supplies, the Commonwealth Government has instructed the Wheat Board to introduce a consumption quota scheme effective immediately. Under this scheme the maximum quantity of wheat to be made available for stock feed from January 15 to February 28, 1945, would be one-sixth of the total quantity sold by the Wheat

Board in the nine months ended September 30, 1944. The quota for March will be announced later. It is hoped that, with the help of a break in the season, the total consumption of wheat for stock feed will be kept down to 43,000,000 bushels for the year. Secondly, the allocation of wheat to breakfast-food manufacturers for the season will probably be 3,750,000 bushels as compared with normal requirements of between 1,000,000 and 2,000,000 bushels, the increase being largely to meet service demands and to provide against the fall in breakfast food supplies from other grains in short supply. The flour mills in Victoria and New South Wales are still working only two shifts.

AGRICULTURAL AND PASTORAL PRODUCTION IN QUEENSLAND, 1943-44

By K. F. NOBLE, *Acting Trade Commissioner at Sydney*

Despite the accumulated effects of wartime difficulties, Queensland farmers have continued to increase the area of land under cultivation. The 1943-44 total of 1,756,000 acres was slightly higher than the average for the last five pre-war years by 11 per cent. Smaller areas of wheat, cotton, sugar-cane and tobacco were more than offset, mainly by the larger acreages of vegetables, sorghum, panicum, canary seed and orchards.

The year 1943-44 was marked by a wide range of seasonal conditions. The

winter of 1943 was exceptionally dry and cold, but widespread spring rains were followed by other falls to give the state one of the best early seasons on record. Good conditions were maintained during the early summer, with excellent rains in midseason, but the agricultural areas became dry in the later part of the summer and remained so throughout the fall.

The following table gives the 1943-44 production and yield per acre of Queensland's main crops in comparison with the averages for the last five pre-war years:—

Unit	Production		Yield Per Acre	
	Average 1935-39	1943-44	Average 1935-39	1943-44
Thousands				
Sugar-cane	Ton	5,181	3,398	21.0
Wheat	Bu.	4,767	5,088	14.0
Maize	Bu.	3,272	4,512	18.7
Sorghum (grain)	Cwt.	7	714	7.4
Cotton	Lb.	16,598	9,540	299.0
Peanuts	Lb.	13,641	22,400	938.0
Potatoes (English)	Ton	21	31	1.7
Tomatoes	Bu.	502	742	98.0
Bananas	Bunches	1,629	1,324	271.0
Pineapples	Doz.	1,624	2,001	327.0
				389.0

Sugar-cane.—A considerable improvement in the supply of fertilizers and some easing of the labour position were insufficient to offset the effects on the 1943 cane crop of generally unfavourable weather and frost and grub damage. The area fertilized increased from 107,100 to 155,500 acres, and the amount of fertilizer per acre treated rose slightly but, as compared with pre-war years, production per acre was down by 27 per cent. The area of cane cut for crushing was 221,000 acres as compared with 231,300 acres in the previous season.

Wheat.—There was a further substantial decline in the acreage of wheat for grain. At 281,300 acres, the area was 16 per cent lower than the previous year's and 36 per cent below the peak of 442,000 acres in 1938. But the crop had a good season, and the high yield of 18 bushels per acre more than compensated for the year's decline in area.

Maize.—Both production and yield per acre of this crop were the highest since 1930. On the Atherton tableland the yield averaged 34 bushels to the acre.

Sorghum.—This important fodder crop, which is so suited to the soils and climate of large areas of potentially agricultural land in Queensland, is coming rapidly to the fore. As compared with the previous year, the 1943-44 acreage and production increased by 35 and 92 per cent respectively. Some outstanding harvests of up to 100 bushels per acre were realized.

Cotton.—A sharp decline in area from 56,400 to 39,900 acres, together

with fluctuations in rainfall during the growing season, resulted in the smallest cotton harvest since 1932. A recovery in the acreage of this crop is not likely until an easier position with respect to labour for picking is in prospect.

Peanuts.—The value of its rich oil content as a replacement for previously imported vegetable oils has given this crop a special wartime stimulus. A good season and effective handling of the limited labour available for harvesting resulted in a record crop of about 22·5 million pounds as compared with the previous peak of 17·25 million pounds from a much larger area in 1938.

Vegetables.—The ready response of Queensland farmers to the "grow more vegetables" campaign lifted the area sown with vegetables for human consumption from 34,900 acres in 1941-42 to 47,500 acres in 1942-43 and 67,400 acres in 1943-44. Moreover, from collected forecasts of acreages for the period July to December, 1944, it appears that an area equal to the total 1943-44 acreage will be planted during the current six months. Between 1941-42 and 1943-44 the area of English potatoes increased from 8,151 to 14,609 acres, that of tomatoes from 4,646 to 8,671 acres, and that of pumpkins from 10,727 to 19,050 acres. Fifty-three per cent of the total 1943-44 vegetable acreage was in the Moreton division.

Live Stock.—Increases for seven years have lifted the state's total number of cattle to 6,524,600, the highest level for 22 years. But whereas in 1943-44 the increase in beef cattle was maintained at the previous year's accelerated pace of 85,000 per annum,

the number of dairy cattle fell by 2 per cent from the all-time record. The fall was accompanied by a decrease of 359 in the number of dairy farmers and by declines of 9 and 16 per cent in the factory production of butter and cheese respectively.

A significant feature of the year's operations was the marked decline in the number of sheep, which fell by 2·4 millions from the record total of 25·7 millions. This movement was general, but the principal declines took place in the Central West, the North West and the Far West. The wool clip for the year amounted to 185·3 million pounds of greasy (as compared with

204·6 million pounds in 1942-43), while the average weight per fleece was 7·7 pounds (7·8 pounds in 1942-43).

There are indications that sheep numbers will continue to decline. The drought which prevailed in the southern portion of the state is one factor, but a restricted breeding policy, of which there are definite signs, is more important. The number of ewes intended for lambing has declined from 9 millions (96·4 per cent of all breeding ewes) in 1943 to 7·9 millions (90·9 per cent of all breeding ewes) in 1944. Moreover, of the 9 millions intended for lambing in 1943, only 7·4 millions were actually mated.

ARGENTINE GRAIN PURCHASE PROGRAMS

By J. A. STRONG, *Canadian Commercial Attaché at Buenos Aires*

The Argentine Ministry of Finance has reported on the position of the various government grain purchase programs, under their policy of guaranteeing minimum prices to producers, from the 1938-9 crop up to December 31, 1943. It may be noted that the

wheat, flaxseed and barley crops come on the market from December and the corn and sunflower-seed crops before the middle of the calendar year.

The aggregate losses incurred over the period amounted to the equivalent of \$147,800,000, but there were addi-

Argentine Official Operations in Grain

	Quantity Purchased Million Bushels	Price Per Bu. \$	Quantity Sold Million Bushels	Profit or Loss Million Dollars	Bal. Held Dec. 31, 1943 Million Bushels
Wheat Crop—					
1938/9	279.2	0.700	279.2	-32.2	....
1939/41	208.3	0.649	208.3	+ 6.7	....
1941/42	207.2	0.652	199.5	+ 1.7	7.7
1942/43	190.3	....	70.2	+ 6.4	120.1
1943/44	39.3	....	....	....	39.3
Total	924.3	....	757.2	-17.2	167.1
Flaxseed Crop—					
1939/41	50.8	0.839	50.8	- 4.3	....
1941/42	50.4	0.936	47.2	+ 5.3	3.1
1942/43	28.4	....	2.8	+ 2.8	25.6
1943/44	7.9	....	....	....	7.9
Total	137.5	....	100.8	+ 3.8	36.7
Corn Crop—					
1940	211.4	0.300	211.4	-51.3	....
1941	275.6	0.248	275.6	-54.4	....
1942	169.7	0.216	169.3	-27.1	0.4
Total	656.7	....	656.3	-132.8	0.4
Barley Crop—					
1940/41	31.2	0.300	31.2	- 7.0	....
(1) Sunflower Seed—					
1940/41	4.9	....	4.9	+ 0.4	....
1941/42	9.7	....	9.7	+ 5.0	....
Total	14.6	....	14.6	+ 5.4	....

(1) Cwt. instead of bushels.

tional expenses, covering administration, commissions and interest, etc., that amounted to \$33,600,000. The heavy losses on corn were due to the fact that, under existing wartime conditions, corn had to be sold as fuel or live-stock feed at very low prices. The Government did not have to buy the

1943 corn crop as, due to drought conditions, it was very small. The minimum prices fixed for wheat and flaxseed for the 1944-45 crops are 82 cents and \$1.10 per bushel respectively, or 12 per cent and 8 per cent higher than was paid for the 1943-44 crops.

CURRENT SITUATION IN THE CUBAN MARKET FOR DRIED FISH

By J. L. MUTTER, *Canadian Trade Commissioner at Havana*

The last shipment of Canadian dried salt codfish, comprising 1,200 cases of 100 pounds each, arrived in Havana on November 26 and served to relieve the situation only temporarily, as there is no fish in the Havana market at the present time. Prices for this shipment were \$16.70 and \$16.25 for imperials and large respectively, f.o.b. vessel at port of shipment in Canada. If supplies were available, substantial quantities of dried salt codfish (bacalao) could be placed in this market.

About the same time that the shipment arrived from Canada, a consignment of approximately 80,000 pounds was received from Newfoundland. It is reported to be still lying in cold storage unsold, owing to failure to meet market requirements as regards size and related price.

Smoked Herring

In November last a quota was established for Cuba for the year ending June 30, 1945, of 288,000 pounds (16,000 boxes) of hard-cured smoked herring (bloater), and all agents and

importers were advised accordingly. Orders were forwarded immediately to regular suppliers, but the response has been disappointing, as only a few hundred boxes have thus far been made available. Both importers and agents are seeking connections in Canada that can supply this commodity, and it is suggested that Canadian exporters interested in the Cuban market, and who are not already represented there, communicate with the Canadian Trade Commissioner at Havana, who will place them in contact with outlets in this territory.

Santiago de Cuba

A substantial shipment of medium and small types of codfish was received in this market at the same time that the last shipment was delivered to Havana, but it is reported that stocks are again entirely depleted. The latest quotations for medium and small types were \$19.80 and \$19.20 respectively, f.o.b. vessel at Canadian port of shipment.

Havana, January 6, 1945.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

POST-WAR PUBLIC WORKS PROGRAM

A Commonwealth-wide program of urgent public works, to be implemented immediately on the cessation of hostilities, has been completed by the Department of Post-War Reconstruction. The total value of these projected works (with which are included

ear-marked urgent spendings by associated semi-governmental bodies, municipalities, and local authorities) aggregates £159,284,000, with allotments to be distributed approximately as follows: Commonwealth Territory, £21,938,000; New South Wales, £51,563,000; Victoria, £40,191,000; Queensland, £10,833,000; South Australia, £17,551,000; Western Australia, £13,667,000; Tasmania, £3,552,000.

Priority rating based on the relative degrees of urgency of projects has been made. Priority "A" is the most urgent, with the works under this rating valued at £82,845,000, of which some £50,-000,000 is located in the States of New South Wales and Victoria, with the Commonwealth Territory earmarked for urgent expenditure of £13,610,000. Lesser amounts covering priority "A" items in other states include the following: Queensland, £6,818,000; South Australia, £7,285,000; Western Australia, £2,804,000; Tasmania, £2,244,-000.

To aid in the implementation of these projects, the premiers of the six states made and jointly subscribed to a series of five resolutions on October 4, 1944, as follows:—

1. That the states which have not already taken action will aim at defining regional subdivisions for purposes of development and decentralization, and will endeavour, where possible, to adjust progressively existing administrative subdivisions to correspond with the regions thus defined.

2. That the Commonwealth be informed of the regional boundaries determined by the states, and that post-war projects for development and decentralization of industry and administration proposed by the Commonwealth and states should be classified according to their regional distribution.

3. That the formation of representative regional advisory bodies be encouraged, and use made, where practicable, of such bodies are already exist.

4. That such bodies should be available to advise and assist Commonwealth and state authorities through state government channels on regional aspects of policy and administration.

5. That where required for Commonwealth purposes, comprehensive surveys of the resources of regions will be carried out according to principles to be agreed upon by the Commonwealth and states.

RAILWAY GAUGE UNIFICATION

Although it is unlikely that the project will be undertaken until after the

war, Australian railway gauges are to be standardized at 4 feet 8½ inches.

This width is already used by New South Wales and most Commonwealth railways, while other states' gauges are as follows: Victoria, 5 ft. 3 in. and 2 ft. 6 in.; Queensland, 4 ft. 8½ in., 3 ft. 6 in., and 2 ft.; South Australia, 5 ft. 3 in. and 3 ft. 6 in.; Western Australia and Tasmania, 3 ft. 6 in.

The project will be an important means for the utilization of manpower in the early post-war period, and is regarded as a factor of economic support to the transition period from war to peacetime economy.

The estimated expenditure on standardization of gauges will be £57,200,-000. The Commonwealth will initiate the preliminary work, while the states will be invited to co-operate in the co-ordination of state and Commonwealth plans.

At least 20,000 workers will be required in the first year, and it is anticipated that this number will increase to 130,000 before the project is completed. The main lines between the capital cities will be the first to be standardized, with the scheme later extending throughout the Commonwealth to secondary and branch lines. Approximately 12,000,000 timber and steel sleepers, as well as 500,000 tons of new steel rails, will be required.

Argentina

FIRST OFFICIAL ESTIMATE OF GRAIN CROP 1944-45

The first official estimate of the 1944-45 Argentine grain crop shows a substantial decrease when compared with the previous (1943-44) crop, writes Mr. J. C. Depocas, Assistant Commercial Attaché at Buenos Aires, under date December 28, 1944. This is due in part to a reduction in crop area but mainly to a prolonged drought.

The 1944-45 wheat crop is now estimated at 166,689,000 bushels as against 249,382,000 for 1943-44, a decrease of 33 per cent; the flaxseed crop at 33,130,000 bushels as against 61,-930,000, a drop of 46·5 per cent; the

rye crop at 16,881,000 as against 21,940,000 bushels, a decrease of 23 per cent; and the barley crop at 27,320,000 bushels (of which 20,000,000 are destined for the breweries) as compared with 33,012,000 bushels, a decrease of 17 per cent. The estimate for oats shows practically no change at 59,300,000 as against 59,964,000 bushels for 1943-44.

The final estimate of the acreage under grain shows a decrease of 8·7 per cent for wheat, 16·8 per cent for flaxseed, 7·3 per cent for oats, 1 per cent for barley, and 11·8 per cent for rye.

Russia

RESTORATION OF WAR-DAMAGED FORESTS

A five-year plan for the restoration of Soviet forests damaged or destroyed during the war has been drawn up, re-

ports *The World's Paper Trade Review*. According to incomplete reports the damage caused by the Germans to Soviet forests exceeds 3,000 million roubles. To safeguard themselves against surprise attacks by partisans, the Germans cut down all trees along roads and highways and burned forests in which partisans were thought to have been.

Thousands of hectares of newly planted forests were also destroyed during the fighting in Russia. In the Rostov and Stalingrad regions, between the Volga and the Don, 900,000 hectares of forests and 1,500 hectares of tree nurseries were completely destroyed. The figures of such damage, however, are not yet complete.

In 1944 over 24,000 hectares were reforested and for 1945 the target is 85,000 hectares.

CANADA'S EXPORT TRADE IN 1944

Canada's domestic merchandise export trade reached record proportions during the calendar year 1944, the total value being \$3,439,953,000 as compared with \$2,971,475,000 in the preceding year, an advance of 15·8 per cent. Increases were recorded in the aggregate value of commodities exported to both Empire and foreign countries. The value of exports to Empire countries totalled \$1,620,451,000 as compared with \$1,401,662,000 in 1943, an increase of 15·6 per cent, shipments to foreign countries being valued at \$1,819,502,000 as against \$1,569,813,000, an advance of 15·9 per cent.

Exports to the United States were valued at \$1,301,322,000 as compared with \$1,149,232,000 in the preceding year, an increase of 13·2 per cent. The value of shipments to the United Kingdom amounted to \$1,235,030,000 as against \$1,032,647,000, an advance of 19·6 per cent. Exports to British India were valued at \$174,794,000 as compared with \$134,576,000 in 1943; to Italy, \$160,118,000 as against \$8,815,000; to Egypt, \$108,290,000 as compared with \$188,664,000; and to Russia, \$103,264,000 as against \$57,660,000.

Following are other leading destinations for Canada's domestic exports in 1944, totals for 1943 being shown within parentheses: British South Africa, \$23,597,000 (\$35,611,000); Jamaica, \$13,884,000 (\$8,986,000); Trinidad and Tobago, \$16,474,000 (\$13,706,000); Newfoundland, \$47,950,000 (\$43,473,000); Australia, \$43,513,000 (\$46,686,000); New Zealand, \$11,916,000 (\$28,115,000); Eire, \$11,971,000 (\$4,985,000); China, \$14,901,000 (nil); France, \$15,865,000 (nil); French Possessions, \$33,230,000 (\$72,608,000).

The total value of agricultural products exported during 1944 advanced to \$741,265,000 from the 1943 valuation of \$483,757,000, or by \$257,508,000. Wheat exports rose to \$384,150,000 from \$234,458,000, wheat flour to \$90,001,000 from \$66,274,000, and barley to \$45,588,000 from \$32,435,000. The aggregate value of animal products exported in 1944 increased to \$372,926,000 from \$289,566,000, meats advancing to \$192,001,000 from \$130,790,000, and fishery products to \$63,854,000 from \$57,148,000.

Motor vehicles and parts were exported to the value of \$433,247,000

(\$507,424,000 in 1943); planks and boards, \$90,119,000 (\$74,182,000); wood-pulp, \$101,563,000 (\$100,013,-000); newsprint paper, \$157,191,000 (\$144,707,000); pulpwood, \$20,012,000 (\$18,565,000); wool and wool products, \$24,592,000 (\$9,058,000); and fertilizers, \$24,000,000 (\$18,144,000).

Other large commodity exports during 1944 were as follows, corresponding totals for 1943 being shown within parentheses: alcoholic beverages, \$21,109,000 (\$17,272,000); seeds, \$27,692,-000 (\$28,935,000); furs, \$27,029,000 (\$26,449,000); cheese, \$27,062,000

(\$26,811,000); eggs, \$21,872,000 (\$15,-064,000); rolling-mill products, \$10,-130,000 (\$4,595,000); farm implements, \$13,434,000 (\$10,284,000); machinery, other than farm, \$24,947,000 (\$10,043,-000); petroleum, \$9,057,000 (\$7,346,-000).

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of December and the twelve months ended December, 1944 and 1943:

Exports by Principal Countries

	Month of December 1944	1943	Twelve Months ended December	
			1944	1943
			Thousands of Dollars	
All countries	266,879	302,571	3,439,953	2,971,475
Empire countries	108,579	126,621	1,620,451	1,401,662
British East Africa	258	1,224	6,209	18,707
British South Africa	1,328	2,767	23,597	35,611
Southern Rhodesia	35	204	1,187	1,386
British West Africa	31	664	2,519	7,614
Bermuda	134	254	2,472	2,011
British India	17,016	12,280	174,794	134,576
Ceylon	1,670	588	6,199	7,364
British Guiana	347	405	5,739	5,740
Barbados	463	36	4,248	2,955
Jamaica	900	478	13,884	8,986
Trinidad and Tobago	732	1,411	16,474	13,706
British West Indies, other	496	377	5,819	4,365
Newfoundland	4,106	4,465	47,950	43,473
Australia	1,594	9,211	43,513	46,686
Fiji	2	10	462	297
New Zealand	69	1,766	11,916	28,115
Palestine	204	91	2,169	816
Eire	975	680	11,971	4,985
United Kingdom	77,883	89,484	1,235,030	1,032,647
Foreign countries	158,300	175,950	1,819,502	1,569,813
United States	126,369	130,231	1,301,322	1,149,232
Argentina	259	248	3,645	3,677
Bolivia	10	17	206	198
Brazil	524	670	7,324	4,964
Chile	156	73	1,648	1,028
China	2	..	14,901	..
Colombia	163	114	2,215	1,338
Costa Rica	11	30	314	174
Cuba	243	235	3,725	2,416
Ecuador	33	28	301	215
Egypt	3,081	16,047	108,290	188,664
France	2,663	..	15,865	..
French Possessions	2,312	5,635	33,230	72,608
Greece	647	590	8,574	6,150
Guatemala	9	29	349	242
Haiti	76	54	505	279
Honduras	14	5	114	123
Iceland	320	79	2,654	2,164
Iraq	67	1,177	5,747	22,067
Italy	11,102	7,726	160,118	8,815
Mexico	508	839	6,273	8,330
Netherlands West Indies	32	41	329	484
Nicaragua	5	19	251	215
Panama	62	48	672	735
Paraguay . . . . .	..	..	30	15
Persia . . . . .	..	14	1,005	446
Peru	80	68	1,339	766

Exports by Principal Countries—Con.

	1944	Month of December	Twelve Months ended December	
			1943	1944
			Thousands of Dollars	
Portugal	6	90	620	888
Portuguese Africa	12	40	381	120
Russia	7,634	7,965	103,264	57,660
Salvador	32	6	275	155
San Domingo	44	8	398	125
Spain	1	51	90	169
Switzerland	999	1,544	16,129	11,580
Turkey	254	996	7,064	14,452
Hawaii	126	176	1,956	2,907
Puerto Rico	156	96	1,971	1,279
Uruguay	27	68	1,331	843
Venezuela	174	87	1,810	735

Exports by Principal Commodities

Total domestic exports	266,879	302,571	3,439,953	2,971,475
Agricultural products	68,545	75,600	741,265	483,757
Fruits	1,899	626	10,586	6,895
Vegetables	1,434	838	13,603	7,799
Grains	45,256	54,147	500,892	314,988
Barley	4,160	2,016	45,588	32,435
Wheat	34,393	47,026	384,150	234,458
Wheat flour	8,106	6,342	90,001	66,274
Alcoholic beverages	2,177	2,435	21,109	17,272
Seeds	3,614	6,839	27,692	28,935
Animal products	27,448	28,065	372,926	289,566
Cattle (except for stock)	365	338	5,517	5,634
Fishery products	4,287	5,584	63,854	57,148
Furs (chiefly raw)	3,782	5,579	27,029	26,449
Hides, raw	24	46	541	565
Leather, unmanufactured	198	176	2,910	3,362
Leather, manufactured	200	242	3,553	2,789
Meats	11,848	12,565	192,001	130,790
Butter	140	171	1,881	3,820
Cheese	3,164	1,912	27,062	26,811
Eggs	1,728	419	21,872	15,064
Fibres and textiles	6,988	6,499	59,742	30,620
Cotton	811	1,569	9,252	8,133
Flax	101	17	2,243	2,450
Wool	3,497	3,850	24,592	9,058
Artificial silk	337	468	6,552	4,522
Wood and paper	35,737	37,223	440,901	391,070
Planks and boards	8,597	8,279	90,119	74,182
Timber, square	67	50	830	556
Shingles, red cedar	568	511	6,977	6,203
Pulpwood	1,271	1,209	20,012	18,565
Wood-pulp	7,869	8,331	101,563	100,013
Paper, newsprint	12,179	13,512	157,191	144,707
Iron and products	43,959	84,912	772,935	716,645
Pigs, ingots, etc.	1,334	1,014	17,014	22,694
Rolling-mill products	1,019	1,291	10,130	4,595
Tubes and pipes	121	74	2,429	459
Farm implements	611	530	13,434	10,284
Hardware and cutlery	209	211	3,575	3,163
Machinery, other than farm	1,944	1,279	24,947	10,043
Motor vehicles and parts	21,924	59,721	433,247	507,424
Non-ferrous metals (excluding gold)	27,405	24,989	339,908	332,705
Non-metalliferous minerals	3,609	5,452	58,398	62,192
Coal	502	531	5,985	5,428
Petroleum	280	713	9,057	7,346
Stone	1,007	1,785	16,630	19,148
Chemicals	8,116	7,192	100,688	86,391
Acids	282	68	2,342	2,519
Fertilizers	1,936	1,788	24,000	18,144
Soda compounds	456	525	4,263	4,911
*Miscellaneous	45,072	32,638	553,190	578,530
Electric energy	603	535	7,842	7,715
Films	155	120	1,560	803

* Includes certain military stores.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to December 30, 1944:

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to December 30, 1944	
	Gal.	3,000,000 per calendar year	6½ to 3½c per gal.	Quantity 13,080	Per Cent
Whole milk	Gal.	1,500,000 per calendar year	56½ to 28½c. per gal.	1,182	....
Cream	Gal.	18,210,658 per calendar year	2½ to 1½c. per lb.	Quota filled	
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	1,500,000 beginning Sept. 15, 1944	75 to 37½c. per 100 lb.	1,322,281	88.1
Seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1944	75 to 60c. per 100 lb.	Quota filled	
White or Irish potatoes, other than seed potatoes	Bu.	37½c. Mar. 1 to Nov. 30	Dec. 1 to end of Feb.; Free	1,451,046	67.3
Red cedar shingles	Sq.	2,153,984			
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1944	50 to 35% ad val.	7,091†	7.0
Tails	Piece	5,000 beginning Dec. 1, 1944	50 to 35% ad val.	....	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† Imports of foxes valued at \$250 each and whole furs and skins from countries other than Canada amounted to 228 for the period December 1 to 30, 1944.

The Treasury Department also reports that, for the twelve months beginning May 29, 1944, the following quantities of wheat and wheat flour entered, or were withdrawn from warehouse, for consumption under the import quotas established by the President's proclamation of May 28, 1941, as modified by proclamations of April 13, 1942, and April 29, 1943.

	Quotas		Imports May 29 to Dec. 30, 1944	
	Wheat Flour and other Products		Wheat Flour and other Products	
	Wheat Bu.	Lb.	Wheat Bu.	Lb.
Canada	795,000	3,815,000	795,000	2,046,090
Other countries	5,000	185,000	Nil	Nil

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Order in Council P.C. 227, effective January 27, 1945, broom corn, included in Group 1 (Agricultural and Vegetable Products), and brooms and whisks of corn, included in Group 9 (Miscellaneous), are added to Schedule I of Order in Council P.C. 7674 of October 4, 1941, and exportation thereof is prohibited except under permit issued by or on behalf of the Minister of Trade and Commerce.

British West Indies

IMPORT CONTROL REQUIREMENTS

British West Indies Import Control authorities continue to insist on proof

from Canadian exporters as to the quota year to which goods arriving in the British West Indies after January 15, 1945, were charged.

While the Export Permit Branch does not consider that this proof is necessary, in view of the fact that export permits are charged to the quota year indicated on the relevant import licence, it is, however, suggested and strongly advised that, in order to facilitate the entry of their goods into British West Indian territories, exporters clearly endorse on the commercial invoice covering the shipment the relevant British West Indies import licence number and date, together with their Canadian export permit number and date of issuance.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Cuba, Haiti, Dominican Republic, Puerto Rico, and United States Virgin Islands

Mr. J. L. Mutter, Canadian Trade Commissioner at Havana, writes under date January 8, 1945, that, there are no official exchange restrictions currently in force in any of the above-mentioned areas likely to affect the collection of drafts drawn on merchants therein by Canadian exporters. Importers in these territories may secure without difficulty any foreign exchange required to pay for their Canadian purchases.

Peru

Mr. W. G. Stark, Commercial Secretary, Canadian Embassy at Lima, Peru, writes under date January 10,

1945, that the Peruvian exchange restrictions reported in *Commercial Intelligence Journal* No. 2134 (December 23, 1944), page 597, have been cancelled and that the commercial banks are free to sell exchange for commercial transactions at their discretion.

Collections for commercial transactions are being made currently and, in view of this, it would appear that shipments of small orders, say those less than \$500, might come forward on customer's usual terms. It is recommended, however, that larger orders should only be forwarded against confirmed letter of credit or prepayment in Canada.

Exchange is not allowed for the purchase of securities abroad or for deposit abroad.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 22, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 22, 1945, and for the week ending Monday, January 15, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 15	Nominal Quotations in Montreal Week ending Jan. 22	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2747	.3304 .2748	3½
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½
Colombia	Peso	.9733	.6351	.6343	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	—
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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92 CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

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Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

	Page
Work of United Kingdom Ministry of Food in 1944	93
Canadian Export Commodities and Industries:	
17. Heavy Chemicals	96
Mail Service to the Netherlands.....	101
Lumber Grading in Newfoundland... .	102
Economic Conditions in British Guiana in 1944	103
Market Conditions for Dehydrated Vegetables in the British West Indies (Eastern Group) and British Guiana	104
United States Ceiling Prices Reduced on Pulpwood from Eastern Canada	105
Economic Condition of Finland	106
Economic, Trade and Production Notes	108
Trade Regulations and Tariff Changes	108
Exchange Conditions in Mexico, Guatemala, El Salvador, and Honduras	109
Foreign Exchange Quotations	110
Commercial Intelligence Service.....	111

WORK OF UNITED KINGDOM MINISTRY OF FOOD IN 1944

By FREDERIC HUDD, *Chief Canadian Trade Commissioner in the United Kingdom*

A review of the Ministry of Food's work in 1944, which has just been issued, contains information about trends and policies in relation to the consumption of food in the United Kingdom which should be of guidance to Canadian firms interested in this market.

The Ministry's work during the year was an essential background to the invasion of the Continent. Heavy calls were made on food and shipping resources and both the Prime Minister and the Minister of Food emphasized in public utterances that rationing must continue for some time after the war. An assurance was, however, given that some improvements in

standards and variety in national diet would follow upon the defeat of Germany.

Rationing Policies

The Food Consumption Levels Report, published in April, showed that the United Kingdom has made greater sacrifices than either the United States or Canada in respect of nutritional levels; but that the present diet of this country, restricted though it is, could not have been maintained without the contributions received from those two countries.

Rationing policy has ~~not~~ changed during the year, although there has been a number of adjustments in the

ration levels of various commodities. The shortage of dairy products made it necessary to reduce the cheese ration from 3 to 2 ounces from April 2. At the same time the number of points available per month was increased from 20 to 24 to compensate for the reduction in protein intake. On October 15 supplies permitted a return to the 3-ounce cheese ration and the points allowance was left at 24 per month.

A temporary increase in the bacon ration from 4 to 6 ounces a week was made between July 23 and September 17. Shortly afterwards it became necessary to include in the ration a proportion of fat belly-bacon, previously sold cooked off the ration. From April 30 the supplies of jam enabled the preserves ration to be doubled; the ration reverted to one pound per four weeks on October 19.

As in previous years, an extra allowance of one pound of sugar per ration book was made in the 4-week period beginning July 2 for the benefit of housewives wishing to make jam at home. The arrangement, begun last year, of allowing housewives the opportunity of taking their combined sugar and preserves ration in either sugar or jam was continued.

The issue of extra rations for the Christmas season was a new and welcome departure. An extra half-pound each of sugar and margarine was made available on each ration book and the meat ration was increased to 1s. 10d.

No foods have been removed from the points scheme this year; imported canned marmalade has been put on points at 4 points per pound. There have been some adjustments in the points values of different commodities; on the whole to the advantage of consumers.

Personal points rationing reached its second anniversary in July when the Ministry of Food acknowledged the co-operation of the industry in zoning supplies and securing even distribution. The scheme has continued unaltered throughout the year apart from the extra allowance of sweets to children at Christmas.

Supplies and Distribution

The year was not marked by any significant developments in food control, but rather by a continuation—and in some cases simplification—of old methods. The number of current orders on food matters had been reduced from 650 to 430 and has been kept under review.

The control of milk supplies has again been much in the limelight. The basic allowance to non-priority consumers could not be raised from 2 to 2½ pints until April 16, a month later than in 1943, because of the increased demands from the Services for processed milk. To compensate for the prolonged shortage of liquid milk, an extra tin of "national household milk powder" per ration book was issued during the 8-week period ended April 29. The milk allowance rose again to 4 pints a week for a period in May and June, but dropped to 2½ pints by July 2, and returned to 2 pints on November 5. To the increased demand for milk for manufacturing were added supply difficulties, since milk yield was reduced first by the drought and later by the heavy autumn rains, which both affected fodder crops. The non-priority allowance had therefore to be cut earlier than usual, and towards the end of the year there was some difficulty in maintaining even the allowance of 2 pints in some areas of particular scarcity.

Despite the difficulties experienced by milk producers, figures recently published by the Ministry have shown a steady increase in production of milk, and especially winter milk, since the war. Production has been unable, however, to keep pace with the increase in liquid-milk consumption by the priority classes. Priority consumers now receive over 50 per cent of the total milk supplies in accordance with the Ministry's policy of directing milk where it is most needed. A significant feature of present milk consumption is its increase in towns in the "special" distressed areas.

Fruit

Severe frosts in May disappointed hopes of a record fruit crop; soft fruits, particularly black currants, suffered the most. Soft fruit prices for the 1944 crop had already been announced, but after negotiation with representatives of the growers, revised prices for growers and retailers were agreed. The plum crop was lighter than in previous years, and although the apple crop suffered less from frost, high winds caused many windfalls and the crop as a whole did not keep well. Good supplies of Canadian dessert apples began to arrive in November; the earlier arrivals were distributed in the north of England and Scotland, which had received less than their share of home-grown dessert apples.

Grain and Other Crops

The poor season and harvesting difficulties had some effect on root and grain crops during the year. The appearance of the new crop of potatoes was delayed by spring frosts, but the gap was tided over by the introduction of the $1\frac{1}{4}$ -inch riddle, which added about 50,000 tons to the stock of potatoes for human consumption. Heavy rains and labour difficulties delayed the harvesting of the main crop and a few local shortages developed towards the end of the year in London and some other districts, but the situation never became serious and supplies are regarded as adequate to last until next year's new crop.

The weather and labour difficulties also delayed the sugar-beet harvest, although this is not expected to cause any serious shortage of supply. The wheat harvest was disappointing, and less home-grown wheat will be available for flour in the coming year than has been used at earlier stages in the war.

National Flour is now milled solely from wheat, except in a few areas where the inclusion of $2\frac{1}{2}$ per cent rye is authorized. Improvements in milling technique have recently made possible the reduction of the rate of extraction of National Flour. The new

process retains the greater part of the wheat germ, including the scutellum, which is particularly rich in vitamin B1, while making some additional bran available for animal feeding-stuffs.

Pork

Some complaints were made about the quantity of pork which often made up the ration, and the Ministry had to explain to the public that, because of the diversion of much of the meat from Australia, New Zealand and South America to Allied forces in the Pacific, the United Kingdom has had to rely more upon North American supplies, much of which have been pork. The quality of this is good, but butchers have found that its fatness has caused some difficulty in making up the ration. An additional 10 per cent on normal supplies of pork is now being issued to allow for fat trimming.

Fish

The fishing industry was the object of considerable attention by the Ministry during the year. A herring distribution scheme came into operation in June. This was devised to promote maximum fishing by improving means for disposal of the catch. The Ministry guaranteed to buy cured herrings at a fixed price and proposed to store a quantity for feeding Europe.

A sign of the improvements in fishing conditions which may soon be expected, was the change in the zoning arrangements introduced in October, which permitted an increase in the number of areas served by East Coast fishing ports. The Ministry conducted experiments into the freezing and dehydration of herrings during the year and also initiated research on kippering.

Canada's Contribution

The Minister stated that the year was a record one for food production in Canada, and some important contracts were concluded with Canada. These included one for the supply of 125,000,000 pounds of cheese in each of the two years beginning April 1, 1944, and another for the supply of

bacon, ham, and beef for 1945, while a similar contract is being prepared for supplies in 1946. Increased supplies of eggs are also expected from

Canada in 1945, and the whole exportable sugar production of the Dominions and Colonies, up to the end of 1946, is to be purchased.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

17. HEAVY CHEMICALS

By H. MCLEOD, *Mining, Metallurgical and Chemical Branch,
Dominion Bureau of Statistics*

In this article it is proposed to outline briefly the story of the heavy chemical industry in Canada and to indicate the present extent and diversity of that industry. Only the actual manufacture of chemicals is dealt with, and little mention is made of allied products such as explosives, paints and soaps, or of the related process industries, such as petroleum refining, paper-making and metal-refining, all of which are large users of chemicals and operate largely under chemical control. These latter industries might well be included in any comprehensive review of chemical activities, but to treat them adequately would require much more space than this article affords. Nor is much attention given to the technical details of plant operations or to the outstanding achievements of Canadian chemists in the field of engineering and research.

Pre-war Growth

Information regarding the beginning of the chemical manufacturing industry in Canada is very sketchy. The census of 1890 shows the output of chemical factories at slightly more than \$2 millions, but it seems certain that this total included some allied products as well as basic chemicals. At any rate the industry at that time was very small—a sulphuric acid plant had begun operations a few years previously, the manufacture of methyl alcohol by the destructive distillation of wood had been started, some nitroglycerine was being made for use in explosives, and some ethyl alcohol was being produced. The next decade, however, saw the start of the electro-

chemical industry with the building of a carbide plant at Niagara Falls, and a phosphorus works at Buckingham, Quebec.

From the turn of the century to the outbreak of the First Great War there was continued expansion featuring the opening of large works to make carbide at Shawinigan Falls, Que., cyanamide at Niagara Falls, Ont., and electrolytic caustic soda at Windsor, Ont. With the war of 1914-18, there came heavy responsibilities to manufacture special chemicals for munitions purposes and a considerable number of new plants and extensions were erected. Some of these developments were essentially for war needs, such as the manufacture of trinitrotoluene, cordite, etc., and were discontinued soon after the armistice, but others were of a fundamental nature and remained as part of the permanent industry. Outstanding among the latter was the synthetic acetic acid and acetone plant at Shawinigan Falls, Que.

The period between the wars was characterized by a steady over-all advance in both volume and diversity of products, including such outstanding developments as the manufacture of soda ash at Amherstburg, Ont., and of sulphuric acid from waste smelter gases at Copper Cliff, Ont., and at Trail, B.C. In this period there was also consolidation within the industry through the merger of smaller units into large concerns. There was remarkable progress also in technical skill, in research, and in the training of personnel. When the present war began, the industry was well fitted in these essentials to undertake the heavy

responsibilities that were to be placed upon it.

Wartime Expansion

In the current transformation of Canadian industry for war production, probably no aspect has been more important than the explosives and chemicals program. Before the outbreak of hostilities the explosives industry in this country was occupied almost entirely in meeting ordinary commercial requirements, and consequently the chemical industry lacked facilities to feed a large-scale munitions output.

In October, 1939, under the Defence Purchasing Board, the future Chemicals and Explosives Branch of the Department of Munitions and Supply was set up to expand explosives production and to place the chemical industry on a parallel course of development. Since that time in every part of the country great plants have mushroomed up. Almost three score separate projects, involving expenditures of more than \$160 millions, have been undertaken, some being only extensions and other entirely new works, some for explosives, some for shell filling, some for grenades, fuse powders and pyrotechnics, but about half for special chemicals required in the overall program.

It is estimated that the production of chemicals in Canada has expanded threefold since the beginning of the war to reach a total value in 1943 of about \$110 millions. To-day the industry stands as one of the nation's leading activities. It now supplies about 70 per cent of the country's chemical needs, and in addition makes a substantial contribution to export trade. It has buildings and capital equipment valued at \$120 millions, employs 10,000 people, and distributes annually \$18 millions for salaries and wages and \$40 millions for materials, fuel and power. It includes some of the largest industrial establishments in the Dominion. This field of manufacture is dominated by a few major producers, with two score or so smaller firms completing the list.

Alkalies

The alkalis division of the industry is based upon the salt deposits of southwestern Ontario. Underlying the Windsor-Sarnia district is a salt bed of vast extent. The approximate area of this basin is about 3,000 square miles, and the bed at points is 230 feet thick, at which average thickness a block of one square mile would contain 400 million tons of salt. The salt is brought to the surface as brine, of which about half is evaporated to produce ordinary salt, while half is used for chemical purposes.

At Windsor brine is treated electrolytically to produce caustic soda and liquid chlorine. Built in 1912 and operated continuously since that date, this works added in 1930 an extension to utilize the hydrogen, which formerly went to waste, in the manufacture of ammonia, this being the first synthetic unit in Canada. Other lines have been added from time to time, including bleaching powder, ferric chloride, sulphur monochloride, sulphur dichloride, and sodium hypochlorite.

To meet the demand of the expanding pulp, rayon and cellophane industries of Eastern Canada, a caustic-chlorine plant was erected in 1934, at Cornwall, Ont. In 1938 another was opened at Shawinigan Falls, Que. For these projects the salt is brought by boat from Windsor, the raw material in this instance being transported to the source of cheap power and to the principal markets for the finished products.

Another important plant using salt brine as its chief material is operated at Amherstburg, Ont. Built in 1919, it is the country's only producer of soda ash and also, since 1934, of calcium chloride, which is recovered as a secondary product in the Solvay process.

While these alkali producers are presently working to capacity and in some instances have extended their facilities since the start of the war, there were substantial imports under these headings in 1943, amounting to 5,798 tons valued at \$256,348 for caus-

tic soda and 70,557 tons valued at \$1,213,818 for soda ash.

Acids

In the acids division of the industry, Canada has long been self-sufficient in regard to inorganic acids, but has been very largely dependent on foreign sources for her supply of organic acids. One of the earliest sulphuric acid plants was at Capelton, Que., at which location there was a considerable supply of pyrites from nearby mines. Built in 1885, it operated steadily until 1925, when it was dismantled.

The first unit using the contact process was built in 1908 at Sulphide, Ont., with pyrites as the chief source of sulphur, and the first plant to utilize smelter gases was established at Coniston, Ont., in 1927. Three new plants have been built since the outbreak of the war to make ten producers in all. These are located at Sulphide, Copper Cliff, Welland and Hamilton, in Ontario; Trail, New Westminster and Barnet in British Columbia; Valleyfield and Arvida in Quebec; and at Sydney in Nova Scotia. Output of sulphuric acid in 1943 totalled 621,435 tons (66° Be) as compared with the highest pre-war tonnage of 282,716 in 1937.

The successful recovery of sulphuric acid from smelter gases has been one of the outstanding developments of the industry. Previously the raw materials for its manufacture were either sulphur or sulphur-bearing ores and, with the exhaustion of the latter, more dependence was placed on elemental sulphur imported chiefly from Texas.

In the search for a cheaper source of sulphur, attention was turned to the sulphur gases which belched from the stacks of Canada's huge metal smelters. In 1927 a test plant was built at Coniston, Ont., in connection with the nickel smelter at that point, and it proved highly successful. In 1930 a larger and permanent unit was established at the smelter at Copper Cliff, Ont.

Even more striking were the developments arising out of the utiliza-

tion of the gases from the lead-zinc smelter at Trail, B.C. For some time the operation of this plant had occasioned claims for damages done by the sulphur-bearing gases to crops on nearby lands, and this problem assumed international proportions when complaints came from across the border.

This condition of affairs and the desire to eliminate waste led to an extensive program of research which culminated in the building of one of the largest chemical plants in the country. It was decided to use the waste gases to make sulphuric acid, which in turn could be used to make ammonium sulphate for fertilizer purposes.

At this point there is now the largest acid plant in the country, a huge synthetic ammonia plant, an ammonium sulphate plant, a phosphoric acid plant, and an ammonium phosphate plant. The final products are the nitrogen-bearing fertilizers, ammonium sulphate and ammonium phosphate, which are chiefly for export. Since 1934 elemental sulphur has been recovered also by means of a new process, this being Canada's only source of pure sulphur. Unfortunately, it is far distant from the large users in Eastern Canada and is shipped chiefly to consumers in British Columbia or the Western United States.

Nitric acid is made at Sulphide and Welland, Ont., and at several explosives plants at other points; muriatic acid in plants at Hamilton and Cornwall; cresylic acid at Toronto; phosphoric acid at Buckingham, Que.; stearic acid and lactic acid at Toronto; and oxalic acid at Hamilton, the last-mentioned being a very recent development.

Glacial acetic acid is made at Shawinigan Falls, Que., in one of the great chemical plants of the Empire. As early as 1903 the power developments at this point had attracted a carbide plant which has continued to operate ever since. But during the war of 1914-18 it was greatly expanded. The Allies were then in urgent

need of acetone for T.N.T. and later for acetic acid for the manufacture of cellulose acetate, an essential compound for the treatment of aeroplane wings.

A process was worked out by Canadian chemists by which these chemicals could be made synthetically from calcium carbide, and in 1916, at the request of the British Government, the capacity of the carbide furnaces was enlarged, and a large chemical plant was erected. At the close of the war the demand for acetone ceased, and the company soon discontinued its manufacture, but improvements in its process for making acetic acid and an increasing demand enabled the company to expand its output and ship to markets in all parts of the world.

Continuous research has led to the commercial production at this plant of many acetylene derivatives, including butyl acetate, ethyl acetate, acetylene black, acetic anhydride, pentasol acetate, vinyl acetate, vinyl acetate synthetic resins, dibutyl phthalate, and butyl alcohol. It is interesting to note that production of acetone was begun again in 1936 by an entirely new process. In normal times this company is a large exporter, particularly of carbide, acetic acid, acetylene black, and vinyl resins.

In 1943 Canada's exports of acids, chiefly acetic and sulphuric, were valued at \$2,519,000. Imports were valued at \$4,328,900, with tartaric, acetic, citric, salicylic, boracic, and stearic acids as the principal items.

Other Chemicals

Still other works in Canada are concerned chiefly with the manufacture of chemicals other than acids or alkalis. At Niagara Falls, Ont., there is the largest cyanamide plant in the world. Started in 1909 with an initial capacity of 5,000 tons annually, subsequent additions and improvements had brought the pre-war capacity to 355,000 tons. This tremendous tonnage is obtained through the operation of what

was at that time the largest lime-burning plant in the world, the largest carbide furnaces and the largest liquid air plant for the preparation of pure nitrogen.

The calcium cyanamide, which is made by absorbing nitrogen in calcium carbide at white heat, is used chiefly as a fertilizer, and most of the production is exported. A large portion of the output, however, is used to make cyanide for use by the Canadian mining industry or for export. Sodium silicate has been produced by this company since 1932.

PHOSPHOROUS COMPOUNDS

Phosphorus, phosphate chemicals and chlorates are made at Buckingham, Que., the plant there being the sole producer of these items in Canada. Established in 1897 to utilize the phosphate ores in the vicinity, it has been operating for some years mainly on imported rock. Phosphorus and phosphoric acid were the main products for most of this period, but in the past decade the company has gradually developed a very diversified line of chemicals, including monosodium phosphate, disodium phosphate, trisodium phosphate, tetrasodium phosphate, calcium phosphide, acid calcium phosphate, sodium acid pyrosodium phosphate, barium chloride, ammonium chloride, sodium chloride, potassium chloride, and potassium perchlorate.

There is another important works in the general chemical field at Hamilton. Besides sulphuric and hydrochloric acid, this plant produces Glauber's salt, salt cake, anhydrous sodium sulphate, sodium metabisulphite, sodium thiosulphate, liquid sulphur dioxide, ammonium chloride, and zinc chloride.

AMMONIA

Ammonia and its compounds have been in heavy demand for war uses, and facilities for increased capacity have involved major expenditures in the last few years. At the outbreak

of war, synthetic ammonia was being made at Trail, B.C., for use in nitrogen fertilizers, and at Windsor, Ont., for the manufacture of blasting explosives, and some aqua ammonia was recovered from gas liquor in a plant at Toronto.

War requirements brought expansion to the Trail facilities as well as a new government-owned unit at that point, a new plant at Calgary, Alta., operated on behalf of the Government, and a new works near Welland, Ont., also built for the Government but operated by a private company. The Calgary works is unique in that it uses natural gas as its primary material; at Welland the coke process is used. All these plants make anhydrous ammonia and ammonium nitrate.

In 1943 when war demands slackened and a shortage of fertilizer developed in the United States and Canada, steps were taken to utilize the excess ammonium nitrate capacity to provide a material suitable for fertilizer use. This was made possible by a research program which resulted in the making of a prilled or pebbled form of ammonium nitrate, properly conditioned to render it free flowing when used. A large tonnage of the nitrate was exported to the United States in 1943.

ORGANIC COMPOUNDS

In the manufacture of organic chemicals there has been outstanding progress in recent years. Mention was made earlier of the large plant at Shawinigan Falls, which is concerned very largely with products based on acetylene. The principal producer of coal tar derivatives, located at Toronto, makes creosolic acid, phenol, cresol, ortho cresol, para cresol, xylenols, naphthalene, phthalic anhydride, and dibutyl phthalate. Several coke-oven operators recover xylol, toluol and benzol; a number of explosives plants make dinitrotolol, nitroglycerine and trinitrotoluene; a company in Montreal recovers methyl alcohol, acetone, and formaldehyde by the destructive distillation of

hardwoods; perchlorethylene and tri-chlorethylene are made at Shawinigan Falls; and several distilleries produce industrial ethyl alcohol. Late in 1941 a new firm at Elmira, Ont., started to make aniline oil, diphenylamine and certain special chemicals for rubber manufacture and recently began to make acetanilide. Of interest, too, is a plant opened in 1943 at Thorold, Ont., to make ethyl alcohol from waste sulphite pulp liquor. The manufacture of styrene and butadiene for synthetic rubber began in late 1943 at the huge works of the Polymer Corporation Limited at Sarnia, Ont.

FINE CHEMICALS

In the manufacture of fine chemicals there are two principal firms, both located in Montreal and both established in 1930. A number of the larger pharmaceutical houses also make some standard preparations in this category. Radium and uranium salts are recovered at Port Hope, Ont.

The foregoing details relate to the larger operators in the several divisions of the industry. No mention may be made of the production of special war chemicals because of security regulations. In addition to those mentioned there is a considerable number of smaller plants which make such items as zinc oxide, litharge, red lead, cobalt salts, nickel salts, glycerine, white arsenic, lead arsenate, acetylene, oxygen, hydrogen, etc.

Production

A summary of the value of production by main classes of chemicals is given in the accompanying table. It is not possible to show the figures for individual items, as in almost every instance there are only one or two producers in the country. The values given in the table cover only the amounts made for sale, as there is no adequate record concerning the intermediates which were made and used in further manufacturing processes in the producing plants.

Total Production (for Sale) of Chemicals in Canada, 1942 and 1943

Commodity	Selling Value at Works 1942	Selling Value at Works 1943
Acids, including acetic, muriatic, nitric, sulphuric, phosphoric, stearic, cresylic, and fatty	\$ 6,700,000	\$ 6,500,000
Calcium compounds, including carbide, chloride, phosphide, cyanamide, cyanide, acid phosphate, grey acetate, arsenate, chloride of lime, and stearate	16,900,000	17,900,000
Sodium compounds, including hydroxide, phosphate, silicate, hypochlorite, bisulphite, salt cake, Glauber's salt, chlorate, acid pyrophosphate, soda ash, sal soda, bisulphate, etc. (pharmaceutical salts included elsewhere)	8,400,000	8,200,000
Organic chemicals, including acetic anhydride, butyl acetate, ethyl acetate, paraldehyde, pentasol acetate, vinyl acetate, ethyl alcohol, methyl hydrate, glycerine, phenol, cresol, benzol, etc. (acetic acid and acetylene included elsewhere)	27,300,000	31,000,000
Fine chemicals and precious metal salts, including salts of bismuth, mercury, potassium, sodium, ammonium, magnesium, etc. (uranium and radium salts not included)	2,600,000	3,000,000
Compressed and liquefied gases, etc., including acetylene, carbon dioxide, oxygen, nitrous oxide, liquid sulphur dioxide, liquid chlorine, anhydrous and aqua ammonia, etc.....	13,600,000	14,700,000
Ammonium sulphate, phosphate and nitrate, and superphosphate (fertilizers)	7,800,000	14,000,000
Other chemicals, including white lead, zinc oxide, red lead, litharge, cobalt salts, nickel salts, ferric chloride, lead arsenate, zinc stearate, phosphorus, white arsenic, sulphur, hexachlorethane, ammonium nitrate, etc.	15,600,000	14,000,000
Total	\$98,900,000	\$109,300,000

On a similar basis, the value of imports in 1943 totals about \$32 millions and of exports about \$40 millions. Acetic acid, sulphuric acid, ethyl alcohol, ammonium sulphate, ammonium phosphate, cyanamide, acetylene black, sodium compounds, and vinyl type resins were among the leading export items in 1943.

On the import side the larger items included acids, mostly organic, valued at \$4.3 millions; sodium salts, \$12.8 millions; potassium compounds, \$2.2 millions; tetraethyl lead, \$3.6 millions; and titanium oxide, lithopone, carbon black, and aluminium sulphate valued at about a million dollars each.

The manufacture of basic chemicals now ranks as a major industry in Canada, making an important contribution to the utilization of the country's

natural resources, to employment, to foreign trade, and to all other phases of the economic structure. Progressive and financially sound, the leading concerns in this business have steadily extended their operations and added to the variety of their products.

With the coming of peace, the utilization of the increased capacity of the industry will create a tremendous problem. Clearly there is a mighty challenge to the industry to convert even a large share of this capacity to peacetime uses, and it would seem that the operators must look to export markets to take up much of the slack. It has been estimated by competent officials, however, that at its normal rate of growth the industry will liquidate this surplus plant in eight to ten years' time.

MAIL SERVICE TO THE NETHERLANDS

The Post Office Department announced recently that civilian postal service has been resumed between Canada and the following areas in the Netherlands: Towns of Eindhoven, Geldrop, Valkenswaard, Tilburg, Oisterwijk, Boxtel and Schijndel and their immediate environs; all Netherlands territory south of the river Scheldt.

Until further notice, the service will be restricted to non-illustrated post cards containing messages on personal or business matters. Communications of a business character must be confined to those ascertaining facts and exchanging information.

The postage rate for these cards is 3 cents each.

LUMBER GRADING IN NEWFOUNDLAND

By R. P. BOWER, *Canadian Trade Commissioner at St. John's*

The Newfoundland Government is preparing a revised Lumber Grading Act. The St. John's Housing Corporation recently called for tenders for the supply of lumber, and there is reason to believe that provisions in this tender, as far as they relate to grades of lumber, are similar to, if not identical with, those being currently drafted by the Newfoundland Government. For this reason the requirements of the Housing Corporation, as outlined below, are of interest.

Grade No. 1.—All thicknesses; widths, 2 inches and wider; lengths, 8 feet and longer; both edges clear; sound knots only ranging in maximum average diameter from 1 inch for a face width of 2 inches to 2 inches for a face width of 10 inches, if not in clusters. Branch knots shall not exceed one-quarter the thickness nor extend more than one-third across the face of the piece. Will admit slight wane, not to exceed 10 per cent of the pieces, and occasional seasoned surface checks not exceeding 2 inches in length, splits not longer than two-thirds the width of the piece and light stain. Will not admit rot, shakes, coarse and cross-grain, worm and knot holes, pitch seams and pockets or equivalent defects.

Grade No. 2.—All thicknesses; widths, 3 inches and wider; lengths, 6 feet and longer. Will admit sound and tight knots of maximum average diameter ranging from 2 inches for a 3-, 4- or 5-inch face width to $2\frac{3}{4}$ inches for a 10-inch face width and, in dimension lumber only, occasional encased knots not exceeding the sizes listed above and/or unsound knots not exceeding one-half these sizes. Will admit wane on from 20 per cent of pieces 1 inch to 3 inches in thickness to 50 per cent of pieces 9 or 10 inches in thickness. Wane shall not exceed in any case one-quarter the thickness on one edge or its equivalent on both sides, or one-half the thickness on one

face or its equivalent on both faces, and one-quarter the length of the piece in the aggregate on one edge or its equivalent on both edges. Will admit seasoned surface checks not exceeding 10 inches in length; splits not longer than the width of the piece; shake measuring not more than one-eighth inch in width; small pitch seams and pockets; medium stain, including hard red on one face, not exceeding in the aggregate one-third of the face or on both faces not exceeding one-fourth the total area of both faces, and coarse and crossgrain. Provided, however, that the foregoing shall not be in such combination as seriously to impair the strength of the piece. Will not admit rot, worm and knot holes or equivalent defects.

Grade No. 3.—All thicknesses widths, 3 inches and wider; lengths, 6 feet and longer. Will admit unsound and encased knots, occasional loose knots and knot and worm-holes, shake, surface checks, splits not longer than twice the width of the piece; rot, pitch seams and pockets, heavy stain, wane and equivalent defects. Provided, however, that the foregoing shall not be in such combination as to render the piece useless for rough utility purposes.

General.—Lumber is graded from its better face, the reverse face admitting no defects other than those permissible in the next lower grade. The face side of a piece is that showing the best grade or appearance. Lumber surfaced on one side only is graded from the surfaced side.

The number of defects and blemishes permitted varies as the size of the piece increases or diminishes, but the size of the defects must not exceed that allowed by the grading rules.

Defects and blemishes admissible in rough stock shall be the same as those applying to dressed stock of like kind and grade and, in addition, such other defects and blemishes as will disap-

pear when dressing such stock to standard sizes shall be allowed.

"Equivalent" means equal, and in construing and applying these rules, the defects and blemishes allowed, whether specified or not, are understood to be equivalent in damaging effect to those mentioned as applying to the stock under consideration.

Wane, which is bark or the lack of wood from any cause on the edge or corner of a piece, or other imperfections in rough stock which can be removed in dressing to standard size, shall not be considered as defects.

Bright sap is admissible in all grades.

Ends of all grades shall be sawn perfectly square.

ECONOMIC CONDITIONS IN BRITISH GUIANA

By G. A. NEWMAN, *Canadian Trade Commissioner at Port of Spain*

British Guiana's 354,219 inhabitants (1941 estimate) depend mainly on the production of sugar and rice, cultivated on the low-lying coastal lands that make up only about 3 per cent of the Colony's total area of 89,480 square miles.

The Colony's economy, however, differs from that of other British West Indian Colonies in that 25,000 square miles of commercially available forests yield exportable lumber and timber, and bauxite, gold and diamonds are mined in the interior.

This was particularly apparent in the lumbering industry, which suffered from a shortage of sawmill equipment and inadequate transportation facilities.

Exports and Imports

During 1944 the shipping situation was better than in 1943, with the result that there was a notable increase in the Colony's exports, as shown by the following figures for the eleven months' period January to November, 1944 and 1943:—

Exports from British Guiana

		Jan.-Nov., 1944	Jan.-Nov., 1943
		Quantity	Value
Sugar	Tons	156,596	\$9,605,745
Molasses	Gal.	1,664,421	130,408
Rum	Gal.	1,920,842	1,636,998
Rice	Ton	20,987	2,269,843
Timber	Ft.	204,070	208,781
		112,845	\$6,413,211
		92	41
		1,377,602	881,194
		15,609	1,535,866
		189,448	163,811

About 8,000 square miles of grass-covered, rather inaccessible, savannah provides the Colony with a source of supply of fresh meat, none of which, however, is exported.

Under wartime conditions a number of factors that have been favourable to the strengthening of the Colony's financial position are an assured but controlled market for sugar at good prices, a steady demand for rum, a staple market in the British West Indies for rice, and a high priority on the production of bauxite. In addition colonial finances received an extra filip when British Guiana was selected as a site for a United States army air base.

Unfavourable conditions were a shortage of shipping and a certain lack of supplies that hindered full produc-

Imports, on the other hand, showed a slight drop in value from \$22,488,948 in 1943 to \$20,445,940 in 1944, although the latter amount was nearly double the total value of imports in 1938, which amounted to \$10,815,170.

The comparison of export values for the eleven months' period of 1944 and for the full year 1938 suggests that the Colony's financial affairs were in better shape generally last year than in the last pre-war year, even without taking into account the enormous increase in bauxite production since 1938.

This assumption is confirmed by the Colony's budget figures, which show an accumulated surplus balance of about \$6,000,000 in 1943 as compared with \$998,604 in 1938.

Revenue as of December, 1944, was estimated at \$12,004,598 and expenditure at \$12,404,832, which indicated little change in the surplus balance as the Colony enters 1945. It is recognized, however, in the Colonial Treasurer's reports that British Guiana may have reached the peak of its prosperity for some years to come.

Already there has been a severe reduction in the production of bauxite owing to accumulated stocks and, with the cessation of hostilities, values of agricultural products may drop. Apart from bauxite, however, the immediate future is not discouraging, since there is still strong encouragement being given the sugar industry to produce to a maximum, although local sugar companies are seriously concerned over the unfavourable labour supply situation, which may seriously hamper the Colony's attaining its possible maximum output.

With increased acreage, the introduction of mechanical cultivation, and favourable weather, the autumn rice crop in 1944 was reported to be unusually good, and it is expected that exports in 1945 may reach 30,000 tons as compared with the pre-war 1929-38 average of 19,537 tons.

To offset as far as possible the loss in production of bauxite, the authorities are desirous of encouraging the production of gold.

Lumber output is likely to face another difficult year through lack of transportation, and to meet local building requirements arrangements are being made to admit imported lumber on a larger scale than at any time since the war began.

Long-term improvements in the Colony are under consideration in the form of extensive irrigation and drainage schemes and the installation of a few inland airfields to facilitate interior mining developments.

MARKET CONDITIONS FOR DEHYDRATED VEGETABLES IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

By W. B. McCULLOUGH, Assistant Trade Commissioner at Port of Spain

In appraising the market in the colonies of this territory for dehydrated vegetables in the post-war period, it must be borne in mind that normally the purchasing power of the working population is very low, and that in a tropical climate, with the variations in altitude and latitude of the colonies, several vegetables and ground provisions are produced locally.

Rice and flour are, of course, the principal items of diet for the poorer classes. Green vegetables, such as carrots, cabbage, turnips, spinach, string beans, pea beans, and beets, are grown in Barbados, but consumption is not heavy, owing to the relatively high costs. Many of these vegetables can be grown in Trinidad during at least six months of the year and, when local crops are in short supply, northern crops are ready for harvesting.

Before the war regular seasonal supplies of fresh vegetables such as carrots, cabbage, beets, and turnips, which are largely consumed by the upper-income classes, were imported in refrigerated space. While these imports have been restricted since the war, fresh potatoes and onions continue to be imported in limited quantities. Those accustomed to using these vegetables are willing to pay a higher price for the fresh product in preference to the locally grown ground provisions, which, due to the soil and climate conditions, are of relatively poor quality.

Dehydrated Vegetables

When locally grown or imported vegetables are scarce, it is possible that dehydrated vegetables would sell in certain colonies, although the quantity that could be marketed would depend upon prices.

So far dehydrated potatoes have proved to be too expensive for these markets, and have not been saleable even during periods when fresh potatoes have been scarce. Small quantities of dehydrated onions might find a market if fresh onions are not available and the landed cost is not too high.

In British Guiana a large mining concern imported considerable quantities of dehydrated vegetables from Canada to sell through their ration store in half-ounce and one-ounce packages. At that time they had a large labour force who were well paid, but they had difficulty in disposing of

the dehydrated vegetables. Eventually, to clear these goods, they offered them to the grocery trade in Georgetown, the largest city and the capital of the Colony. Some of the grocers bought small quantities of the dehydrated vegetables, but they experienced great difficulty in selling them, not only on account of the high prices but owing to purchasers' dislike of the flavours of the dehydrated product.

In the opinion of the trade there are no post-war prospects for the development of any volume of business in dehydrated vegetables, with the possible exception of onions, in the colonies of this territory.

UNITED STATES CEILING PRICES REDUCED ON PULP-WOOD FROM EASTERN CANADA

By W. D. WALLACE, *Office of the Trade Commissioner at New York*

The Office of Price Administration has issued Amendment No. 4 to Maximum Price Regulation No. 530, affecting the import price of pulpwood produced in the Provinces of Quebec, New Brunswick, and Nova Scotia. The amendment becomes effective January 18, 1945.

As a result of this amendment, prices to United States buyers will be reduced as much as \$4 per cord on pulpwood produced in Quebec, New Brunswick, and Nova Scotia and imported under contracts made on or before February 2, 1944. The reduced prices will result from the extension to all pulpwood imported from these Canadian provinces of the ceiling prices heretofore not applicable to imports contracted for on or before the aforesaid date.

The reductions will not apply in those instances where importers can show for pulpwood cut before January 13, 1945, to a contract made before February 2, 1944, that they are unable

to import the contract wood at the existing ceiling prices. Provision is made for individual applications to be filed by such importers for permission to pay up to the contract prices. However, no application may be filed on imported wood cut after January 18, 1945, regardless of any previous contract prices.

Under the amended order, the Office of Price Administration has also made United States consuming mills which obtain pulpwood from wholly owned subsidiaries in the Provinces of Quebec, New Brunswick, and Nova Scotia subject to the ceiling regulations as they apply to other sellers. However, these mills may add to the ceiling prices an amount for administration and overhead expenses that is reasonably necessary for the continued operation of the subsidiary. Where the pulpwood is sold through a broker or dealer, they may also add the prescribed commissions for such sales. The parent companies will absorb any increase that may be made in prices.

ECONOMIC CONDITION OF FINLAND

From *The Times* Trade and Engineering

If a country with only 3,659,000 inhabitants and meagre resources is involved during the best part of five years in two major wars—and loses both—the result cannot but be economic ruin.

The first Soviet-Finnish war had taxed the country's wealth to the utmost. That was not so much due to the actual stipulations of the Peace Treaty of Moscow (March 12, 1940), which, though implying territorial losses, did not provide for reparations. Finland was economically exhausted because of her war effort, and later because of the heavy financial burden caused by the voluntary transfer of almost 420,000 people from the ceded areas into Finland's interior. The cost of their resettlement was calculated to amount till the end of 1943 to Fmk.12·5 milliards (Fmk.200=£1 before the war).

The second Finnish-Soviet war required a further effort on the part of the Finnish body economic that was far beyond its power. Long before Finland started peace negotiations it was obvious that she was ruined. Formerly a country famous for its orderly and successful conduct of public finance, it experienced one of the worst war-time inflations of the Continent. The national debt, which in 1938 had amounted to Fmk.2 milliards, had risen to Fmk.40 milliards by March, 1943, and had increased to Fmk.43 milliards by the end of May, 1944. Before the war the National Debt consisted as to 75 per cent of long-term internal loans and as to 25 per cent of external loans. By September, 1942 (when the national debt had risen to approximately Fmk.35 milliards), the ratio of long-term internal loans was only 22 per cent; that of external loans 13 per cent; whereas not less than 65 per cent consisted of short-term internal lendings.

Huge War Expenditure

War costs proper, according to the Finnish budgets for 1940-43 inclusive,

amounted to Fmk.93·44 milliards. For the period January-September, 1944, another Fmk.26 milliards may have to be added. That makes a total financial cost of military operations of approximately Fmk.120 milliards spent by a country the national income of which before the war was estimated at Fmk.60 milliards. It must be understood that this figure of war expenditure does not cover the resettlement—already mentioned—of the transferred Karelian population nor the additional cost of resettlement of the population of the Perchalo and Petsamo districts (estimated at 15,000 persons); it also excludes the cost of reparations (according to the armistice £75,000,000), which, if only the 20 per cent premium charged by the Bank of Finland for foreign exchange is taken into account, would amount to Fmk.18 milliards, not to speak of the presumably very high cost of reconstruction of war damages and industrial and transport rehabilitation.

For some time past a complete transfer-moratorium has been in force in the country, and it is believed that when the period of readjustment is over its abolition will coincide with financial and monetary reform. This reform has been discussed in Finland for some time past in connection with the rapid expansion of the circulation of bank notes (about six times the 1939 figure by the middle of 1944), but no decision has been taken so far. It is, however, evident that the internal purchasing power of the Finnish mark cannot be maintained; that the price stop does not work; and that some radical changes must precede a new start.

Decline in Production

Whether this new start can be made without help from abroad is very doubtful. Finland's plight is by no means confined to monetary and financial matters. It was clear long ago that Finland's potential production had fallen off considerably and that she

was not in a position to maintain her people without assistance from abroad. In recent years Germany has had to contribute substantial food supplies since Finland was unable to provide even a minimum war-time diet for her people; 260,000 tons of the annual minimum of 400,000 tons of grain were imported thence, 30 per cent of Finland's sugar, considerable quantities of potatoes, and almost all the coal and liquid fuel. The clearing debt of more than Fmk.9,000,000 shows the volume of these transactions. Before Finland entered into peace negotiations with the Soviet Union, she approached Sweden, asking her to replace supplies of food and essential commodities obtained during the war from Germany. Though Sweden had already given credits to the amount of 500,000,000 kronor (approximately £29,500,000) and though informal Swedish approaches to Britain and the United States about replacement of the goods supplied to Finland did not produce any result, she gave Finland a guarantee to replace German supplies apart from fuel and mineral oil. The new credit of 150,000,000 kronor (approximately £8,824,000) is believed to cover these supplies for a period of six months, after which new arrangements will have to be made. It is, however, doubted whether Finnish grain supplies are substantial enough to secure the maintenance of the Finnish bread ration beyond March, 1945.

The Finnish system of substantial State subsidies to the farmers has improved the possibilities of renting farms, but has been less effective in increasing the volume of production. Lack of machinery, of fertilizers, and of labour has been the main obstacle. Only live stock showed a slight improvement. The rations were quantitatively insufficient to secure a minimum war-time diet without the black market, and that explains why for years more than 50,000 Finnish children have been cared for in Sweden by Swedish foster-parents.

During the war industrial production in Finland has suffered more than agriculture. This is because the country

is deficient in coal, supplies of which during the war were scarce, and the principal Finnish industries, such as wood pulp, cellulose, timber, etc., were cut off from their main markets and experienced serious shortage of labour. In 1943 conditions improved a little, but even then the volume of production remained less than one-half of that of the last pre-war year. In mining and engineering the situation was better because full employment was required for the armies. In textiles, too, output has increased during the past 18 months since a new cell-wool plant came into production. As a whole, however, the scarcity of consumption goods is appalling, and has been for a long time.

Reparation Commitments

The armistice, though it terminated Finland's state of war with the United Nations, has for the time being aggravated her plight. This is due not so much to the stipulations of the agreement as to the state of general economic exhaustion of the country and the difficulties arising not only from the change-over from war-time to peace-time production, but also from the severance from the closed European market and the lack of proper arrangements to re-enter the economic system of the United Nations. The situation is further aggravated by the acute transport crisis prevailing and the impossibility of getting sea-borne supplies, since under the armistice Finnish ships had to be surrendered to the (Soviet) Allied Command for use in the general interests of the allies. The armistice provides—in the course of six years—for indemnities to the Soviet Union to be paid to the amount of £75,000,000 in commodities such as timber products, paper, cellulose, sea-going and river craft, and sundry machinery. This sum compares with a pre-war Finnish export total to the Soviet Union of Fmk.58,000,000 in 1937 and Fmk.44,-000,000 in 1938. During these years Finland had exported to the United Kingdom (her foremost customer and

supplier) goods to the value of Fmk.4,-250,000,000 (in 1937) and Fmk.3,753,-000,000 (in 1938). It follows that even on the assumption that Finland will regain completely her post-war export (and productive) power—which can hardly be expected—in order to supply

the Soviet Union with reparation deliveries, she will have to reorganize her foreign trade fundamentally, maintaining the United Kingdom, the United States, and part of her Scandinavian and western European markets and dropping everything else completely.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

MANPOWER POSITION

A re-allocation of manpower resources has been found necessary to achieve the new group of production targets resulting from Australia's international agreements. Demands from high priority civil projects will require the services of an additional 119,350 men and 25,500 women in 1944-45.

Nine thousand men and 5,000 women are to be provided to relieve shortages in civilian supplies; 30,400 men are to be allocated to the building trades and 21,000 men and 500 women to food production. It is anticipated that by June, 1945, there will be 548,000 men in the Forces, after a net transfer of 57,000 has been made, of which about 44,700 will be released for essential industry. The release of 36,950 men will take place through reduced munition and supply requirements, while the number of women available for re-

employment in essential industries is estimated at 15,600.

BUSINESS AFFECTED BY EXODUS OF SERVICEMEN

One estimate of the spending by Allied servicemen during their stay in Australia is £60,000,000 per annum, which is approximately equal to 90 per cent of the annual return from the Australian wool clip.

Many business fields are feeling the effects of the cessation of this spending, principally taxis, cafes, florists, jewellery and souvenir shops, and photographers and theatres. Hotels are still crowded, however, although picture theatres show a definite fall in box-office receipts.

The purchasing power of United States servicemen has meant a large increase in prices of civilian luxury goods in short supply, to which it is difficult to apply price regulations, such as jewellery, as well as the absorption of irreplaceable consumer stocks.

TRADE REGULATIONS AND TARIFF CHANGES

United Kingdom

AMENDMENTS TO LABELLING OF FOOD ORDER

With reference to the articles in *Commercial Intelligence Journal* Nos. 2118 and 2119 (September 2 and 9, 1944, respectively), respecting the Labelling of Food Order, 1944 of the United Kingdom, Mr. J. A. Langley, Canadian Trade Commissioner in London, has forwarded copies of the Labelling of Food (No. 2) Order, dated December 28, 1944, which revokes, and re-enacts with certain amendments, the earlier Order.

An explanatory note appended to the new Order states that the following are among the amendments made:—

Pre-packed foods must be described in such a manner as to indicate their true nature. Where a complete quantitative disclosure of the ingredients is made, the order in which they are disclosed need no longer be that of the proportion in which they are used.

The statement of the minimum quantity of the food must be expressed in terms of net weight or of measure (not of number).

Foods packed in advance by retailers on the premises on which they are sold are exempt from the Order, provided the label bears no words referring in any way to the food other than such as are reasonably necessary to identify the food or to indicate the quantity or price.

When the presence of a mineral is disclosed as an ingredient, in accordance with the requirements of Article 2 (3), but no other claim or suggestion is made as to its presence, it is not necessary to declare the minimum quantity of the mineral present.

Liquid milk, shell eggs and fish (in addition to fruit and vegetables) are exempted from the requirements applicable to foods in which the presence of vitamins or minerals is claimed.

There are a number of amendments to the First Schedule, which contains exemptions from the labelling provisions of the Order in relation to particular foods.

The Second Schedule is amended to indicate the synonyms which may be used in declarations regarding vitamins in a food.

The new Order comes into force (a) as respects advertisements, on January 1, 1945; (b) as respects sales by retail, on November 1, 1945; (c) as respects sales by manufacturers or packers, other than sales by retail, on May 1, 1945; (d) as respects other sales, on August 1, 1945.

Brazil

IMPORT LICENCES

Mr. L. S. Glass, Commercial Attaché, Canadian Embassy at Rio de Janeiro, cables that a Brazilian ministerial decree of January 22, 1945, stipulates that a wide list of imported products will henceforth be subject to the granting of import licences by the *Carteira de Exportação e Importação* (a branch of the Bank of Brazil). The list includes, among other products, refractories, porcelain insulators, abrasives, asbestos, graphite, mica, aluminium, copper, nickel, lead, ferro-alloys, and practically all semi-manu-

factured and manufactured metals, including machinery and machine tools. It is reported that agricultural machinery will be excluded from the operation of the decree, but there is no official confirmation of this as yet. The decree states that "these measures are taken to ensure maintenance and development of national industry but are not meant to support uneconomic industry".

Peru

EXCHANGE CONTROL AND IMPORT LICENCE REGULATIONS

With reference to the notice published in *Commercial Intelligence Journal* No. 2139 (January 27, 1945), page 89, regarding the cancellation of Peruvian exchange restrictions, Mr. W. G. Stark, Commercial Secretary, Canadian Embassy at Lima, cables that a tighter position now prevails and that the Peruvian Government has taken steps to conserve the exchange situation. On January 26, 1945, the Peruvian Ministry of Finance advised, through a newspaper advertisement, that import licences are required for all goods entering Peru on or after March 1, 1945, whether or not already ordered. Canadian exporters should be sure the importer has an import licence before shipping any merchandise that is likely to arrive after that date.

EXCHANGE CONDITIONS IN MEXICO, GUATEMALA, EL SALVADOR AND HONDURAS

By C. S. BISSETT, *Canadian Trade Commissioner at Mexico City*

In none of the first three countries listed above are there any official exchange restrictions in force that might affect the collection of bills drawn on importers therein by persons abroad. Foreign exchange is readily available to meet payments for shipments from Canada.

Control of foreign exchange in Honduras is exercised by the Exchange Control Commission. No difficulties of any kind have been experienced in recent months in the procurement of foreign exchange covering all transac-

tions which are not subject to the freezing-control laws now in force, as funds have been readily made available by the Commission within one to three days from the date of application.

The transactions for which exchange is not being made available are those by or in favour of enemy nationals, whether located in Honduras or in foreign countries, or those by Honduran nationals whose names appear on any of the War Trade Lists.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 29, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 29, 1945, and for the week ending Monday, January 22, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 22	Nominal Quotations in Montreal Week ending Jan. 29	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2748	.3304 .2753	3½
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½
Colombia	Peso	.9733	.6343	.6358	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	—
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, Director

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2 CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

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Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

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London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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Chicago: J. M. BOYER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

113

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TABLE OF CONTENTS

	Page
Trade with France.....	113
Exchange Arrangements between the United Kingdom and Egypt....	117
Overseas Trade of Australia in 1943-44	119
Economic, Trade and Production Notes	124
Regulations for Export Shipments from Canada.....	125
Canada's External Trade in 1944....	125
Exports to Middle East Countries....	128
Foreign Exchange Quotations.....	130
Commercial Intelligence Service....	131

TRADE WITH FRANCE

By YVES LAMONTAGNE, *Commercial Secretary, Canadian Embassy at Paris*

The liberation of France has added one more country with which Canada can resume trade. However, as recent events have shown, the war in Europe has yet to be won, and at considerable cost in men, money and materials, and the resumption of normal trade will continue to be governed by military requirements, which must take precedence over other needs.

Pressing as these war needs are, it is nevertheless true that the people of France are in dire straits. After Dunkirk, when half of France was overrun by the Germans, France lost all its overseas trade, and before 1940, France was the fourth largest trading nation in the world.

Cut off from the outside world, French industry, depending on imports for its requirements in raw materials, was severely hit. Allied bombings, together with the destruction caused by

the retreating Germans, following the Allied landings in June, 1944, brought about an almost complete disruption of transportation. Furthermore the Germans had effected a vast looting of French goods of all kinds, while three million Frenchmen and French-women have been deported to Germany. Lack of food, lack of coal, lack of goods of all kinds, and a very severe winter are causing incredible hardships to the French people.

Immediate Import Requirements

There is only one way out of the plight in which France finds itself. France's internal communications must be restored as soon as possible, and this means more locomotives, more railway rolling-stock, more motor-trucks, more rubber tires. France must have more ships and it must have the equipment necessary to handle goods.

arriving at its ports, where destruction has been tremendous. This, briefly, is an indication of France's immediate and urgent import requirements.

France's import needs can be gauged only inadequately by a reference to pre-war trade statistics, which would, moreover, only represent France's requirements provided its present economic life possessed any semblance of pre-war conditions. At most, pre-war statistics of France's imports would provide some guide to its present requirements of raw materials. Apart from these France will require port and transportation equipment, machine-tools, machinery and, among the raw materials, lumber and metals in far greater quantity than it has ever imported in the past.

Production in France can only be stepped up if coal and raw materials can be brought to the factories and the people in the towns can only be fed if transportation from the country is available. Furthermore, France must produce for export in order to secure the foreign exchange required to pay for its imports, and these goods must be moved to the ports.

State Trading

Under the conditions in which France now finds itself, private trading must give way temporarily to a controlled economy under the direction of the State. The lack of ocean shipping and the control of sea transport by the Allies in the interests of the war effort, as well as the utilization of France's available foreign exchange to the best advantage, both for the purchase of war supplies and civilian requirements, have forced the French Government to assume, for the time being, the role of sole purchaser of goods which must be imported from overseas; and these, apart from the goods which France has been able to obtain from Canada under Mutual Aid, from the United States under Lend-Lease, or from Great Britain under similar arrangements, have or are being bought through French Purchasing Missions established in those countries.

A program has been drawn up, in consultation with the Allied military authorities in France, listing the kind and quantities of supplies which France urgently requires from the United Kingdom and North America for the period November 1, 1944, to June 30, 1945. A total quantity of over 3,000,000 tons is involved and shipping presents a considerable problem. In so far as Canadian goods are concerned, arrangements are being made for purchases, within the over-all program, through the Department of Trade and Commerce and other departments concerned.

Private Trading

It would be difficult to hazard any guess as to how long it will be before private trading with France can be resumed. This will depend on the course of the war in Europe, on the availability of ocean shipping, and on the necessity for the maintenance of government control over trade in France, in part or in whole, until reconstruction of the national economy is well under way.

At present private trading remains governed by regulations based upon legislation which was introduced at the beginning of September, 1939, when imports into, and exports from, France were prohibited except under licence, and when exchange control was instituted.

PURPOSES OF REGULATIONS

Foreign trade continues to be subject to these regulations for two reasons. In the first place, it is the intention, under the permit system, to allow imports into France of essential commodities only, and to allow exports only of goods which are not required for use in France while controlling the destination of such exports. Secondly, it is necessary, as regards imports, to verify the conditions of payment for the goods shipped into France, and comparatively, to authorize the issue of the means of payment. In respect to exports, the purpose of the permits is to make sure that the conditions of pay-

ment provided for are normal, and to verify the entry, in accordance with the regulations, of funds corresponding to the value of the goods exported.

METHOD OF REGULATING

A decree dated November 30, 1944, consolidated into a single text the various regulations previously governing France's trade with other countries. It provides, among other things, that all imports into France from foreign countries, as well as all exports and re-exports from France, can be effected only under an individual permit issued by the Central Import and Export Licence Services, under the conditions of the law, provisionally applicable, of February 22, 1944. Exceptions may, however, be made, and these are to be published in the *Journal Officiel* in the form of notices to importers or exporters. Printed forms must be filled out and permits issued are valid for 120 days as regards imports from European countries and for 180 days in respect of those from other parts of the world. Export permits are valid for 120 days whatever the country of destination.

While imports are being effected under government programing, exports to overseas countries are practically at a standstill.

Customs Duties

As an exceptional measure, one of the main reasons being to combat inflation of prices, legislation has been passed providing for the suspension of customs duties on goods imported into metropolitan France and for the suspension or the modification of the rates of administrative or fiscal taxes applicable on the entry of goods, as well as the exemption of imports from all or part of customs or fiscal formalities.

Decrees may be passed from time to time re-establishing customs duties applicable to certain goods or modifying their rates. Thus, customs duties have been re-established on imports of preparations of sugar, colonial prod-

ucts, tobacco, petroleum and other mineral oils, gold, platinum and silver, prepared spices, jewellery and articles coated with gold or silver, portable firearms and other non-war arms.

Planned Economy

Signs were already apparent before the war that France was heading for a certain measure of planned economy. As in other countries, the outbreak of the war forced the French Government to control production and prices and regulate distribution.

Developments since the war began have led to the adoption of a number of important measures. Thus, internal trade is no longer free, and merchants, wholesalers and retailers can only carry on business under a number of government regulations.

As production and consumption are the main factors affecting trade, several government departments have been called upon to control local commercial activities.

THE COMITÉS D'ORGANISATION

Following the collapse of France in 1940, the Government adopted the law of August 16, 1940, entitled "Law respecting the provisional organization of industrial production", the object being to ensure closer co-operation between government administrations and private enterprise. For this purpose the Government resorted to the creation of the *Comités d'Organisation*. The essential functions of these bodies may be summarized as follows: (1) each committee was to compulsorily comprise all the industrial and commercial firms engaged in its particular kind of activity; (2) they were granted the powers necessary to carry out the duties assigned to them under the law and to execute the orders given them by the Government; (3) they were subject to the control of the government administrations so as to prevent any abuse of the powers conferred on them.

Committees were first instituted for the various industries. However, as goods are produced only with a view

to consumption and for sale, it was deemed advisable to group all commercial activities around special organizations, which would be responsible for matters relating to the distribution of goods of the same kind. A *Comité Général d'Organisation du Commerce* (C.G.O.C.) was created under a decree passed on May 4, 1941. The number and variety of trading concerns being such as to prevent their being grouped under a single body, commercial firms were organized under special committees according to the nature of the business and the goods handled, with a central committee, the C.G.O.C., at the top. The special committees include such groups as the foodstuffs trade (with branches for the wholesale wines trade, the wholesale fresh or dried fruits and vegetables trade, the grocery trade, etc.); the clothing trade; the footwear trade; the hardware trade; the electrical goods trade; the glass trade, and so on.

The central committee (C.G.O.C.), as originally constituted, consisted of (a) a chairman appointed by the Secretaries of State for Industrial Production and of Agriculture and Food Supplies; (b) a managing board with twelve members taken from the distributive trades; (c) a consultative committee composed of representatives from each of the various trade committees; (d) special committees formed for the study of matters interesting specialized trades. The C.G.O.C. was also organized regionally so as to keep in touch with the authorities in the various parts of the country and local bodies.

RATIONING

The institution of a rationing system for foodstuffs under the law of September 17, 1940, made it compulsory for merchants to buy foodstuffs through the intermediary of an administrative body or a national or regional allocations organization. This system was modified by a law passed on October 23, 1941, whereby three main groups were charged with supply: (a) control organizations, (b) supply boards, (c)

purchasing bodies. At the top, control was placed in the hands of the Secretary of State for Food Supply.

ALLOCATION OF RAW MATERIALS

In respect of manufactured goods, the Government took charge of the distribution of raw materials by creating the *Office central de répartition des produits industriels* (O.C.R.P.I.) under the law of September 10, 1940. This organization is broken into divisions corresponding to raw materials or groups of raw materials to be distributed or allocated, each division being called upon to draw up regulations respecting the acquisition, distribution and the constitution of stocks, the sale and consumption of the products assigned to it. Each division is headed by an allocator appointed by the Secretary of State for Industrial Production, who has complete control over the distribution of the products to be allocated.

FUTURE OF THE COMITÉS D'ORGANISATION

The foregoing is a very brief description of the action taken by the Vichy Government to control production, supply and distribution. Since the liberation of France numerous changes have been made in government administration, in personnel, and in the regulations, and the final stage has not yet been reached.

The *épuration*, or replacing of officials and others accused of having collaborated with the enemy, has temporarily disorganized administration. Out of 127 *Comités d'Organisation* which existed just before liberation, only about 60 remain, and most of the heads of divisions charged with the distribution or allocation of industrial products have been replaced.

It appears likely that the *Comités d'Organisation* will be dissolved and replaced by boards consisting of administrators appointed by the Government, together with commissioners representing employers and labour.

Price Control

The basis of the present price control regulations in France is the principle of the maintenance, under the Laws of September 9, 1939, and October 21, 1940, of the prices of goods and services in effect on September 1, 1939. Increases have been allowed in certain cases from time to time and there are a few exemptions from the ceilings. Among these exemptions are goods exported to countries outside the French Empire.

In the case of imports, resale prices are fixed by ministerial decree on a considerable number of commodities. On other imports, however, importers may fix their own sale prices under

regulations which are respected by a control, *a posteriori*, by trial and on the market.

The selling price of an imported article is the price paid to the producer abroad, together with transport, insurance and other charges, to which is added a specified margin of profit. The gross margin of profit varies according to whether the importer is assimilated to a producer or a merchant, wholesaler or retailer. The commissions paid to commission agents or manufacturers' representatives by their foreign principals must be deducted from the cost price which serves as a basis for the mark-up allowed to importers, wholesalers or retailers.

EXCHANGE ARRANGEMENTS BETWEEN THE UNITED KINGDOM AND EGYPT

By J. A. Langley, Canadian Trade Commissioner at London

Arrangements have recently been made by the United Kingdom and Egyptian Governments in relation to Egyptian foreign exchange requirements in 1945. The official paper covering the negotiations states that during recent years imports into the Middle East have been limited by shortage of shipping and supply. This has necessitated detailed programming and control by the Middle East Supply Council. Either because they remain in critically short supply or because they require considerable shipping space, certain goods will continue to be programmed by the Council in 1945 but a larger list of goods is being freed from such controls this year.

Although some goods should thus be more readily available, there continues to be at present a shortage of certain currencies, the most important of these being United States dollars, Canadian dollars, Swiss francs, Swedish kronor and Portuguese escudos. It is therefore necessary for Egypt, in common with the rest of the sterling area, to continue to limit imports that have to be paid for in these currencies. This control of imports is exercised by the

governments of the territories concerned.

Release of Scarce Currencies

The method which has been agreed between the two governments for controlling the release of scarce currencies to Egypt has a direct bearing upon Canada's export trade to that country. However, the scheme, which also outlines United Kingdom policy towards the liquidation of the heavy sterling liabilities that have accumulated during the war, is likely to have a wider significance, since it is generally assumed in London that, should the result in respect of Egypt prove satisfactory, the principles established for dealing with the shortage of hard currencies throughout the sterling area may be generally applied. These principles, which are set forth in the *aide-memoire* prepared by the United Kingdom representatives and handed to the Egyptian Minister of Finance, are as follows:—

1. Clearly, Egypt has great interest in the maintenance of the advantages and the freedom enjoyed by members

of the sterling area and in giving the maximum support to sterling as the basic currency of the area. We have complete confidence in our future economic position. Our mobilization for war has been at least as great as in any other allied country. In large part this has meant the construction of numerous wartime factories, which will be available for conversion to the production of civilian goods. This will increase markedly our supply potential. Since our ability to supply goods will progressively increase, there is solid ground for confidence in the strength of sterling against which this supply of goods will be available. The maintenance of this strength will be a main objective of our financial and economic policy.

2. We fully recognize the need for an adequate flow of imports to cover the real requirements of Egypt. We intend to do all that lies in our power to make United Kingdom goods available, although this will inevitably involve a continued sacrifice in the United Kingdom's own levels of consumption, which have been drastically reduced in order to prosecute the war successfully. We feel sure that Egypt, as an ally of Great Britain, will also be ready in our common interest to continue a measure of austerity until such time as conditions permit of a greater volume of supplies.

3. We must, however, ask and expect other countries which are also interested in the future value of sterling not only to avoid making our task more difficult in the period which lies ahead but actively to co-operate by taking all possible measures to avoid excessive expenditure outside the sterling area. As stated above, Egypt is vitally interested in the future value and purchasing power of sterling, and we therefore feel sure that the co-operation for which we ask will be fully forthcoming in Egypt's own interests.

4. We appreciate that in all probability the needs of Egypt for imports in 1945 can only be met with some net expenditure in countries outside the sterling area. Subject to the consid-

erations discussed in paragraph 2, we are very ready to make available currency to pay for such imports, although we can only do so at the cost of increasing our own difficulties. But we can only offer to help in this way provided that Egypt on her side maintains an effective and adequate system of import and exchange control.

5. In the light of the above considerations, we should wish to discuss the reasonable requirements of Egypt for 1945. A convenient basis for this discussion might be the program of imports already drawn up and agreed by the Egypto-Anglo-American Control of Imports Committee.

6. We do not propose to ask Egypt to agree at the present stage to any firm program for her imports except for two classes of goods:—

- (a) those requiring large shipping tonnage; and
- (b) those in excessively short supply, which will have to be programmed if supplies for Egypt are to be procured.

For these two classes the present programming procedure should clearly continue, but the composition of the classes may vary as supplies and shipping become easier. As to the rest, the Egyptian Government will no doubt wish, in exercising their own import control, to ensure that import licences are granted in the first place to essentials, so that, where such essentials have to be procured outside the sterling area, the necessary foreign exchange is reserved for this purpose.

7. We should hope that, by considering the 1945 program in this way, and also the recent exchange control statistics of payments by Egypt outside the sterling area, it will be possible to arrive at an agreed target for expenditure outside the sterling area to which Egypt would work in the year 1945.

Egyptian requirements of scarce currencies in 1945 for normal imports and invisible payments (excluding such bulk supplies as wheat and fertilizers) are estimated at the equivalent of

£E. 10,000,000 and the Egyptian Government have agreed to adhere to this figure. To the target of £E. 10,000,000 for normal supplies should be added: (a) up to £E. 3,000,000 in respect of wheat, an exceptional and, it is hoped, non-recurrent supply to compensate for a failure of the harvest; (b) possibly a further sum for fertilizers, if

shipping conditions should necessitate supply from North America instead of from Chile.

In return for these facilities the Egyptian Government have for their part undertaken to strengthen their import controls, in order to be in a position to keep within the stipulated target.

OVERSEAS TRADE OF AUSTRALIA IN 1943-44

By K. F. NOBLE, *Acting Trade Commissioner at Sydney*

According to unrevised statistics covering Australia's overseas trade for the year ended June 30, 1944, the total value in British currency was £327,-132,000 (\$1,472,094,000), an increase of £2,506,000 over the previous year's total of £324,626,000.

The total value of imports was £210,-029,000 (\$945,130,500) as compared with £224,385,000 for 1942-43, a decrease of £14,356,000. However, there was an increase of £16,862,000 in the total value of exports, which amounted to £117,103,000 (\$526,963,500) as against £100,241,000 for the previous year.

As in the past few years, there was again an adverse balance of trade, amounting to £92,926,000 as compared with £124,144,000 in 1942-43.

Owing to wartime restrictions, statistics showing the direction of trade are

unavailable, so that an analysis of the trading position in relation to individual countries cannot be supplied. With the exception of figures for gold, silver and bronze specie and certain essential war materials, statistics covering imports and exports by main classes are available for publication.

The accompanying table shows the value of Australia's exports and imports by main classes for the years 1942-43 and 1943-44.

Exports

(£A1 equals \$3.5960 Canadian)

All exports are shown in Australian currency, and, as will be noted from the foregoing table, there was an increase of £A21,120,000 in the total value for the year 1943-44, which

Australian Exports and Imports by Main Classes

	Exports		Imports	
	1942-43 Pounds Australian	1943-44 Pounds Australian	1942-43 Pounds Sterling	1943-44 Pounds Sterling
Total	£A125,552,000	146,672,000	£224,385,000	210,029,000
Foodstuffs of animal origin	23,445,000	24,846,000	843,000	688,000
Foodstuffs of vegetable origin	16,344,000	26,617,000	6,348,000	4,609,000
Spirituous and alcoholic liquors	1,321,000	1,354,000	152,000	112,000
Tobacco	677,000	863,000	1,567,000	4,264,000
Live animals	57,000	49,000	6,000	31,000
Animal substances, not foodstuffs	48,169,000	52,626,000	624,000	513,000
Vegetable substances	543,000	951,000	4,638,000	4,875,000
Apparel, textiles and yarns	2,599,000	2,928,000	25,875,000	33,854,000
Paints and varnishes	184,000	109,000	447,000	440,000
Stones and minerals	1,942,000	2,472,000	1,397,000	1,432,000
Metals, metal manufactures and machinery	7,274,000	7,306,000	88,076,000	94,476,000
Wood and wicker	480,000	353,000	473,000	612,000
Earthenware, glass and stoneware	164,000	193,000	897,000	779,000
Paper and stationery	477,000	375,000	2,046,000	4,510,000
Jewellery and fancy goods	39,000	114,000	469,000	515,000
Optical, surgical and scientific instruments	382,000	185,000	1,555,000	1,518,000
Drugs, chemicals and fertilizers	1,106,000	1,203,000	5,272,000	5,855,000

amounted to £A146,672,000 as compared with £A125,552,000 for 1942-43.

For national security reasons the publication of total values of exports of the following classes is not permitted: oils, fats and waxes; rubber and leather; and miscellaneous.

The export group showing the highest value was animal substances, which totalled £A52,626,000 (£A48,168,000 for 1942-43), an increase of £A4,458,000. The chief items were: greasy wool, £A36,233,000 (£A37,694,000); scoured wool and tops, £A9,535,000 (£A624,000); rabbit skins, £A4,494,000 (£A1,986,000); and sheepskins, £A1,338,000 (£A1,386,000).

The value of exports under the heading foodstuffs of vegetable origin amounted to £A26,617,000 (£A16,344,000), an increase of £A10,273,000. The main item was wheat, which totalled £A8,264,000 (£A4,884,000), followed by wheaten flour, £A6,699,000 (£A3,495,000); raisins, £A2,449,000 (£A1,814,000); and sugar, £A1,524,000 (£A1,001,000).

Foodstuffs of animal origin showed an increase of £A1,401,000, totalling £A24,846,000 as compared with £A23,445,000 for the previous year. Exports of butter headed the items in this group with a value of £A6,871,000 (£A8,086,000). The second largest item was frozen lamb, £A4,142,000 (£A5,183,000), followed by meat preserved in tins, £A4,093,000 (£A3,238,000); cheese, £A1,954,000 (£A1,225,000); milk and cream, £A1,448,000 (£A1,858,000); and frozen beef, £A1,246,000 (£A561,000).

Available figures for exports of metals, metal manufactures and machinery showed a total value of £A7,306,000 (£A7,274,000), an increase of £A122,000. Exports of lead, pig and in matte, were valued at £A3,158,000 (£A3,446,000); bars and blocks of zinc, £A1,203,000 (£A551,000); machines and machinery, £A1,006,000 (£A1,030,000); and iron and steel, £A819,000 (£A1,250,000).

Exports of apparel, textiles and yarns showed an increase of £A329,000, the total value amounting to £A2,928,000 as compared with

£A2,599,000 for 1942-43. Manufactured fibres, including bags, cordage and yarns, accounted for £A678,000 (£A1,312,000); piece-goods, £A259,000 (£A193,000); boots and shoes, £A198,000 (£A37,000); and other apparel and attire, £A1,666,000 (£A965,000).

Stones and minerals were exported to a value of £A2,472,000 (£A1,942,000), an improvement of £A530,000. Included in the items in this group were zinc ores and concentrates, £A1,125,000 (£A909,000); silver and lead, £A604,000 (£A373,000); coal, £A182,000 (£A297,000); and other ores and concentrates, for which figures are not available for publication.

Spirituous liquors accounted for £A1,354,000 (£A1,321,000), an increase of £A23,000, and were made up of spirits (beverages), £A593,000 (£A391,000); wine, £A423,000 (£A297,000); and ale, beer, porter, cider and perry, £A338,000 (£A633,000).

There was an improvement of £A97,000 in the value of exports of drugs, chemicals and fertilizers, which amounted to £A1,203,000 (£A1,106,000), comprising chiefly perfumery and preparations, £A268,000 (£A272,000); medicines, £A208,000 (£A197,000); eucalyptus oil, £A124,000 (£A94,000); fertilizers, £A15,000 (£A23,000); and other drugs and chemicals, £A582,000 (£A499,000).

Of the remaining classes, those showing increases were: vegetable substances, £A951,000 (£A543,000); tobacco, £A863,000 (£A677,000); earthenware, glass and stoneware, £A193,000 (£A164,000); and jewellery, time-pieces and fancy goods, £A114,000 (£A39,000). There were decreases in paper and stationery, £A375,000 (£A477,000); wood and wicker, £A353,000 (£A480,000); optical, surgical and scientific instruments, £A185,000 (£A382,000); paints and varnishes, £A109,000 (£A184,000); and live animals, £A49,000 (£A57,000).

Imports

(Values are in sterling; £1 equals \$4.47 Canadian)

There was a decrease of £14,356,000 in the total value of imports for 1943-

44, which were valued at £210,029,000 as compared with £224,385,000 for 1942-43. However, for national security reasons, total values of imports of oils, fats and waxes, rubber and leather, and miscellaneous items are not available for publication.

METALS, METAL MANUFACTURES AND MACHINERY

The highest import value was for the group metals, metal manufactures and machinery, which amounted to £94,476,000, an improvement of £6,400,000 over the previous year's total of £88,076,000. This class is divided into two sections: machines and machinery, and metals and manufactures.

MACHINES AND MACHINERY

Neither the total value for this sub-class nor the figures for metal-working machinery, motive-power machinery, and other machines and machinery are available for publication. Imports of other electrical machinery were valued at £2,483,000 (£1,893,000); of covered cable and wire, £1,015,000 (£1,014,000); telegraph and telephone instruments, etc., £705,000 (£401,000); roller and ball bearings, £503,000 (£804,000); dynamo electric machines, £478,000 (£559,000); yarn and textile-making machinery, £297,000 (£352,000); sewing-machines, £248,000 (£279,000); mining machinery, £202,000 (£151,000); dairying machinery, £96,000 (£34,000); batteries and accumulators, £86,000 (£76,000); and filament lamps, £84,000 (£135,000).

METALS AND MANUFACTURES

The total value for imports under this sub-head is not available, nor the details of imports of motor-car chassis and parts, and other metals and manufactures. The chief import item was tinned plate and sheet, £3,801,000 (£3,262,000), followed by tools of trade, £1,347,000 (£1,165,000); bars and rods of iron and steel, £609,000 (£949,000); plated-ware and cutlery, £492,000 (£426,000); motor-cycles and sidecars, £448,000 (£601,000); plain plate

and sheet, £429,000 (£404,000); cycle and cycle parts, £335,000 (£221,000); pipes and tubes of iron and steel, £193,000 (£197,000); and lamps and lamp-ware, £146,000 (£163,000).

APPAREL, TEXTILES AND YARNS

There was an increase of £7,979,000 in imports under this heading, the total value amounting to £33,854,000 as compared with £25,875,000 for 1942-43. This class is divided into three sections: apparel and attire, textiles, and manufactured fibres and yarn.

APPAREL AND ATTIRE

The total value of imports under this sub-head was £1,174,000 (£775,000), an increase of £399,000 over that for the previous year. Trimmings and ornaments accounted for £327,000 (£350,000); buttons for £40,000 (£34,000); hats and caps, £12,000 (£4,000); boots and shoes, £11,000 (£21,000); shirts, collars, ties, etc., £11,000; socks and stockings, £9,000 (£3,000); other apparel and attire, £762,000 (£321,000).

TEXTILES

An improvement of £7,876,000 was shown for this sub-group, the total value of imports amounting to £26,681,000 (£18,805,000). The chief items were: cotton and linen piece-goods, £11,993,000 (£8,052,000), followed by silk and art silk piece-goods, £4,818,000 (£4,153,000); canvas and duck, £2,992,000 (£1,417,000); hessian and jute piece-goods, £2,515,000 (£1,081,000); sewing cottons, threads, etc., £719,000 (£673,000); woollen piece-goods, £296,000 (£162,000); and towels and towelling, £265,000 (£353,000).

MANUFACTURED FIBRES AND YARNS

A decrease of £296,000 was shown for this section, total imports being valued at £5,999,000 as compared with £6,295,000 for 1942-43. Imports of corn and flour bags and sacks were valued at £1,615,000 (£2,236,000); artificial silk yarns at £1,176,000 (£1,045,000); woolpacks, £1,058,000 (£858,-

000); cotton yarns, £945,000 (£1,085,000); and cordage and twines, £771,000 (£416,000).

DRUGS, CHEMICALS AND FERTILIZERS

Imports under this heading were valued at £5,855,000 (£5,272,000), an increase of £583,000 over the 1942-43 figure. Items of interest were: fertilizers, £890,000 (£386,000); dyes, £649,000 (£512,000); proprietary medicines, £752,000 (£500,000); non-spirituous essential oils, £179,000 (£148,000); and insecticides, washes and dips, £151,000 (£122,000).

VEGETABLE SUBSTANCES

The total value of imports of vegetable substances amounted to £4,875,000 (£4,638,000), an increase of £237,000 over the figure for the preceding year. The chief item was raw cotton fibre, £1,123,000 (£1,274,000); followed by linseed, £761,000 (£687,000); pulp for paper-making, £653,000 (£588,000); gums and resins, £627,000 (£588,000); copra, £417,000 (£318,000); and tanning substances, £259,000 (£171,000).

FOODSTUFFS OF VEGETABLE ORIGIN

Imports under this heading were valued at £4,609,000 (£6,348,000), a decrease of £1,739,000 over the 1942-43 value. The chief items were: tea, £3,288,000 (£3,971,000); coffee and chicory, £348,000 (£955,000); cocoa and chocolate, £279,000 (£502,000); and unprepared grain and pulse, £235,000 (£335,000).

PAPER AND STATIONERY

Imports of paper and stationery were valued at £4,510,000 (£2,046,000), an increase of £2,464,000 as compared with the value for the previous year. This classification is divided into two sections: paper and stationery.

PAPER

An increase of £1,879,000 was shown by this sub-group, total imports being valued at £2,878,000 as compared with £999,000 for the previous year. Im-

ports of printing paper were valued at £888,000 (£117,000); writing and type-writing paper, £714,000 (£194,000); wrapping-paper, £392,000 (£123,000); millboards and other boards, £141,000 (£59,000); parchment, £209,000 (£146,000); and other paper, £534,000 (£360,000).

STATIONERY

Figures for stationery also showed an increase, the total value being £1,632,000 as compared with £1,047,000 for 1942-43, an advance of £585,000. The main imports were: books (printed), directories, etc., £1,163,000 (£634,000); followed by pens and pencils, £141,000 (£109,000); price lists, circulars, etc., £13,000 (£14,000); paperhangings and wallpapers, £1,000 (nil); and other stationery, £314,000 (£290,000).

TOBACCO

There was a noteworthy increase of £2,697,000 over last year's figures for imports under this heading, the total value amounting to £4,264,000 (£1,567,000). Items comprising this group were: unmanufactured tobacco, £4,213,000 (£1,280,000); manufactured tobacco, £36,000 (£112,000); and cigarettes, £15,000 (£175,000).

OPTICAL, SURGICAL AND SCIENTIFIC INSTRUMENTS

A total value of £1,518,000 was shown for imports in this group as compared with £1,555,000 for the previous year, a decrease of £37,000. Surgical and dental instruments accounted for £652,000 (£710,000); films for cinematographs, £402,000 (£369,000); optical and meteorological instruments, £217,000 (£239,000); phonographs, etc., £22,000 (£19,000); and other instruments, £225,000 (£218,000).

STONES AND MINERALS

Improved figures were shown for this group, the total import value amounting to £1,432,000 (£1,397,000), an increase of £35,000 over the 1942-43 value. Abrasive stones were imported to a value of £397,000 (£338,-

000); asphalt, bitumen and pitch, £318,000 (£160,000); other abrasives, £14,000 (£14,000); and other minerals, £703,000 (£885,000).

EARTHENWARE AND GLASS

A total of £779,000 (£897,000) was shown for the value of imports for this group, a decrease of £118,000 as compared with the previous year. Crockery and household ware accounted for £356,000 (£411,000); glass and glassware, £305,000 (£333,000); and other earthenware, cements, china and stoneware, £118,000 (£153,000).

FOODSTUFFS OF ANIMAL ORIGIN

There was a decrease of £155,000 in the value of imports in this group, the total amounting to £688,000 (£843,000). Fish preserved in tins accounted for £486,000 (£526,000); fish, fresh, smoked or potted, £97,000 (£98,000); concentrated meats, £45,000 (£50,000); and sausage casings, £42,000 (£115,000).

WOOD AND WICKER

An increase of £139,000 was shown for imports under this heading, the total value amounting to £612,000 (£473,000). Imports of undressed timber were valued at £475,000 (£330,000); wood and wicker manufactures, including furniture, £89,000 (£87,000); and dressed timber, £48,000 (£56,000).

JEWELLERY, TIMEPIECES AND FANCY GOODS

The total value of imports amounted to £515,000 (£469,000), an increase of £46,000 over the figure for 1942-43. The chief item was timepieces, watches, clocks, etc., £264,000 (£156,000); followed by pearls, cameos, etc., £125,000 (£178,000); and fancy goods, other than toys and articles for games, £98,000 (£105,000).

ANIMAL SUBSTANCES

Imports under this heading were valued at £513,000 (£624,000), a decrease of £111,000 from the 1942-43 value. Calf, cattle and horsehides and

skins, £176,000 (£316,000); other hides and skins, £194,000 (£178,000); hair and fibre, £52,000 (£11,000); wool, £48,000 (£65,000); gelatine and glue of all kinds, £24,000 (£18,000); and other animal substances, £16,000 (£21,000).

PAINTS AND VARNISHES

The total value of imports was £440,000 (£447,000) a decrease of £7,000 from the figure for 1942-43. This group comprised two items: paints and colours, £434,000 (£440,000); and varnishes, stains and lacquers, £6,000 (£7,000).

SPIRITUOUS LIQUORS

The value of imports under this heading totalled £112,000 (£152,000), a decrease of £40,000 from the 1942-43 figure. The chief item was whisky, £101,000 (£108,000). Gin accounted for £6,000 (£12,000), and ale, beer, porter, cider and perry for £3,000 (£21,000).

LIVE ANIMALS

Imports were valued at £31,000, an increase of £25,000 over the previous year's figure of £6,000.

OTHER COMMODITY GROUPS

As stated previously, total values of the following classifications are not available for publication, but details of some of the component items are published:

RUBBER AND LEATHER

This classification is divided into two sections: (a) rubber and manufactures, of which no particulars are available, and (b) leather and manufactures, the total imports of which were valued at £50,000 (£55,000), a decrease of £5,000 from the value for 1942-43. Leather imports were valued at £32,000 (£29,000) and those of leather manufactures at £18,000 (£26,000).

OILS, FATS AND WAXES

Imports of fats and waxes were valued at £245,000 (£251,000); other details are not available.

MISCELLANEOUS

Constituents of this group included: outside packages, £3,971,000 (£2,909,-000); goods imported by parcel post, £546,000 (£416,000); packings for

engines, £179,000 (£204,000); articles of celluloid, £127,000 (£204,000); oil-men's stores, £56,000 (£7,000); brushware, £17,000 (£20,000); and soap, £12,000 (£9,000).

ECONOMIC, TRADE AND PRODUCTION NOTES

Newfoundland

REVENUE AND EXPENDITURE

For the nine months ended December 31, 1944, government revenue totalled \$25,400,000 as compared with \$21,000,-000 during the corresponding period of 1944. Customs revenue increased from \$11,000,000 to \$14,000,000, while the Assessor's Department yielded \$8,000,000 during the period compared with \$6,400,000 in 1943.

Expenditure has also increased, being \$20,000,000 for the nine-month period as compared with \$17,145,000 the previous year.

NEWFOUNDLAND SALMON FISHERY

Concern has been expressed in Newfoundland regarding the future of the local salmon industry, as the result of an apparent decline in the number of fish, writes Mr. R. P. Bower, Canadian Trade Commissioner at St. John's. Before 1926, when fresh frozen salmon shipments to the United Kingdom began, the salmon fishery was of only minor importance to Newfoundland.

Exports of fresh and frozen salmon during the period 1926-1932 ranged from one to five million pounds per annum. In 1938 exports amounted to four and one quarter million pounds as compared with one and a half million pounds in 1943. At the same time, exports of pickled salmon dwindled from 481,000 to 243,000 pounds. Canned salmon production is also declining, and in 1944 production from 198 factories is not likely to have exceeded 7,000 cases as compared with 9,448 cases in 1943, when 202 factories were operating.

Although reliable evidence is lacking, fishermen claim that the salmon

are getting progressively smaller in size; whereas eight to ten pounds was once considered an average, the present average is not much above six pounds.

The Government is studying the habits of the salmon in the hope that something can be done to maintain or increase production. A number of tagging experiments have been carried out and a considerable amount of information has been built up.

HERRING CONTRACT WITH UNRRA

The Newfoundland Fisheries Board announced late in December that a contract had been made with the United Nations Relief and Rehabilitation Administration for the supply of 100,000 barrels of Newfoundland hard-cured split herring, the herring to be packed either headless or with heads on, but none of the type known as "dressed" herring to be supplied.

Packing will be in barrels containing 200-225-250 pounds net weight of fish. The price to be paid is seven cents a pound U.S. funds free alongside export vessel at several Newfoundland points. Any hard-cure split herring packed in accordance with the Fisheries Board requirements between September 30, 1944, and June 15, 1945, may be brought within the contract.

The provision of barrels to complete this contract is likely to be difficult. The Board has arranged that, in addition to the use of customary new barrels for packing, thoroughly clean used beef and pork barrels in good condition may also be used. To assist further, the Government has removed the import duty of 45 cents a barrel on herring barrels. Cooperage works in Canada have been asked to quote on 50,000 barrel sets for this contract.

REGULATIONS FOR EXPORT SHIPMENTS FROM CANADA

To clear up any misunderstanding with respect to the procedure in the case of shipments which do not require a space application because of the ultimate destination (e.g., shipments to Latin American countries other than Argentina) but which weigh 20,000 pounds or over and, therefore, require an O.D.T. permit, the Shipping Priorities Committee points out that

in such cases it is necessary for the exporter to complete five copies of Form E.1, Revised. These are presented by the exporter or his agent to the steamship operator and, when a space booking has been arranged and certified on the space provided, they are sent by the shipper to the Transport Controller, P.O. Box 2910 Place d'Armes, Montreal, P.Q., who will issue the O.D.T. permit.

CANADA'S EXTERNAL TRADE IN 1944

Canada's external trade, excluding gold, during 1944, as recorded by the Dominion Bureau of Statistics, was valued at \$5,242,000,000. This was the highest annual total ever recorded, the advance over the preceding year amounting to no less than \$506,000,000 or 10.7 per cent. The total for 1943 was \$4,736,000,000 and that for 1942, \$4,030,000,000. The monthly average during 1944 increased to \$436,830,000 from the 1943 average of \$394,700,000.

Domestic merchandise exports reached a new maximum in 1944, the total having been \$3,440,000,000 as compared with \$2,971,000,000 in the preceding year and \$2,364,000,000 in 1942. (A summary and tabular statement of export trade in 1944 was published in the issue of the *Commercial Intelligence Journal* of January 27, 1945, page 85).

Commodity imports in 1944 were valued at \$1,759,000,000 as compared with \$1,735,000,000 in 1943 and \$1,644,000,000 in 1942.

Exports of foreign merchandise were valued at \$43,145,000 in 1944 as compared with \$29,877,000 in 1943.

Imports

The United States was the leading source of supply in 1944, the total from that country amounting to \$1,447,226,-

000 as compared with \$1,423,672,000 in 1943. The United Kingdom was next with a total of \$110,599,000 as compared with \$134,965,000.

Imports from British India were valued at \$27,878,000 as compared with \$17,090,000 in 1943; from Venezuela, \$13,826,000 as compared with \$6,004,000; Colombia, \$13,782,000 as compared with \$5,021,000; Mexico, \$13,119,000 as compared with \$12,503,000; Jamaica, \$12,624,000 as compared with \$9,350,000; Australia, \$12,540,000 as compared with \$11,453,000; Argentina, \$9,564,000 as compared with \$10,199,000; and Newfoundland, \$9,306,000 as compared with \$7,176,000.

The following were among the principal commodities imported during 1944, totals for 1943 being shown within parentheses: fruits, \$61,887,000 (\$46,885,000); cotton and products, \$92,583,000 (\$86,114,000); wool and products, \$37,362,000 (\$57,949,000); rolling-mill products, \$51,399,000 (\$65,596,000); engines and boilers, \$63,159,000 (\$46,999,000); farm implements, \$40,611,000 (\$20,228,000); machinery, other than farm, \$78,551,000 (\$105,954,000); vehicles, \$96,273,000 (\$72,890,000); electrical apparatus, \$57,859,000 (\$48,542,000); coal, \$113,138,000 (\$101,245,000); petroleum products, \$97,937,000 (\$90,089,000); chemicals, \$80,843,000 (\$70,548,000).

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's

imports (excluding gold) by principal countries and commodities for the month of December, and the calendar years 1944 and 1943:

Imports by Principal Countries

	Month of December		Twelve Months ended December	
	1944	1943	1944	1943
All countries	127,217	134,872	1,758,898	1,735,077
Empire countries	16,805	17,111	220,354	238,631
British East Africa	54	190	1,080	1,174
British South Africa	866	878	5,551	3,770
Southern Rhodesia	53	1	356	1,146
British West Africa	91	320	4,161	2,665
Bermuda	2	...	490	27
British India	1,076	1,944	27,878	17,090
Ceylon . . . . .	...	203	4,262	5,605
British Guiana	231	688	7,225	8,255
Barbados	478	360	8,207	5,115
Jamaica	530	1,244	12,624	9,350
Trinidad and Tobago	16	15	979	758
British West Indies, other	89	156	1,147	1,044
Newfoundland	505	368	9,306	7,176
Australia	1,726	1,444	12,540	11,453
Fiji	636	...	3,628	2,301
New Zealand	825	631	8,744	24,776
United Kingdom	9,395	8,567	110,599	134,965
Foreign countries	110,412	117,761	1,538,544	1,496,446
United States	102,945	111,505	1,447,226	1,423,672
Argentina	692	879	9,564	10,199
Bolivia . . . . .	...	...	14	...
Brazil	333	783	7,224	4,800
Chile	27	11	723	596
China . . . . .	...	...	2	22
Colombia	992	1,365	13,782	5,021
Costa Rica	33	22	1,361	1,530
Cuba	168	59	4,229	8,552
Ecuador	5	4	566	261
Egypt	10	...	179	57
Guatemala	35	62	2,693	1,070
Haiti	22	4	2,097	686
Honduras	231	38	1,349	193
Mexico	1,218	1,060	13,119	12,503
Netherlands Guiana	11	395	1,109	6,998
Netherlands West Indies . . . . .	...	...	508	976
Nicaragua . . . . .	...	...	1	218
Panama . . . . .	...	...	6	78
Paraguay . . . . .	...	...	208	560
Peru	2	...	95	692
Portugal	126	175	1,308	557
Salvador	61	39	2,561	1,208
San Domingo	751	41	4,962	170
Spain	571	127	3,024	908
Sweden . . . . .	...	...	24	2
Switzerland	894	180	4,766	3,752
Alaska	5	352	136	825
Puerto Rico . . . . .	...	8	67	17
Uruguay	6	6	248	551
Venezuela	1,225	588	13,826	6,004

Imports by Principal Commodities

Total imports	127,217	134,872	1,758,898	1,735,077
Agricultural products	16,026	18,491	212,655	176,447
Fruits	5,619	5,809	61,887	46,885
Nuts	1,988	1,587	13,458	3,640
Vegetables	996	949	15,048	14,121
Grains and products	930	1,232	12,378	10,079
Oils, vegetable	883	969	11,357	12,451
Cocoa and chocolate	25	391	3,695	2,452
Coffee and chicory	327	347	14,238	7,781
Spices	30	23	871	1,024
Tea . . . . .	...	1,527	13,092	11,879

Imports by Principal Commodities—Con.

	Month of December 1944	1943	Thousands of Dollars	Twelve Months ended December 1944	1943
Agricultural products—Con.					
Alcoholic beverages	614	450	5,512	4,551	
Gums and resins	465	195	3,567	2,900	
Seeds	224	159	1,665	1,851	
Tobacco	165	148	1,716	1,198	
Animal products	3,843	2,632	36,379	36,476	
Fishery products	147	147	2,844	2,286	
Furs (chiefly raw)	1,728	827	11,434	8,614	
Hides, raw	271	401	4,498	6,349	
Leather, unmanufactured	255	218	2,976	3,258	
Leather, manufactured	287	127	2,736	3,054	
Meats	144	86	1,616	2,256	
Fibres and textiles	16,107	14,438	190,575	195,283	
Cotton	8,661	7,489	92,583	86,114	
Raw, and linters	4,562	4,577	41,587	34,015	
Yarn	773	681	8,024	9,881	
Fabrics	2,869	1,976	37,242	37,755	
Flax, hemp and jute	1,310	761	18,352	15,195	
Fabrics, flax and hemp	52	89	1,256	2,072	
Fabrics, of jute	851	395	11,891	8,200	
Silk	91	76	1,510	1,297	
Fabrics	85	73	1,454	1,239	
Wool	2,685	3,412	37,362	57,949	
Raw wool	681	954	11,326	27,003	
Noils and tops	346	475	5,921	7,043	
Yarn	421	381	3,778	4,404	
Worsted and serges	628	879	7,797	10,466	
Wood and paper	3,501	3,133	43,636	40,284	
Wood, unmanufactured	390	293	6,157	5,589	
Planks and boards	247	193	3,161	2,981	
Wood, manufactured	650	481	7,092	6,032	
Paper	967	941	12,157	10,702	
Books and printed matter	1,493	1,418	18,230	17,962	
Iron and products	29,760	31,327	428,361	420,190	
Pigs, ingots, blooms and billets	170	97	2,176	11,256	
Castings and forgings	823	985	7,383	9,150	
Rolling-mill products	4,016	3,719	51,399	65,596	
Pipes and tubes	522	614	5,682	8,504	
Engines and boilers	3,627	3,193	63,159	46,999	
Farm implements	2,872	1,885	40,611	20,228	
Hardware and cutlery	340	327	4,197	4,118	
Machinery (except agricultural)	4,962	6,728	78,551	105,954	
Stamped and coated products	137	111	1,676	1,593	
Tools	513	885	8,603	11,260	
Vehicles	7,611	7,705	96,273	72,890	
Non-ferrous metals	7,268	9,753	106,651	115,567	
Precious metals	97	90	1,253	1,433	
Clocks and watches	954	684	5,207	4,483	
Electrical apparatus	3,364	4,119	57,859	48,542	
Non-metallic minerals	18,159	20,086	271,014	250,943	
Clay products	1,066	916	12,637	13,447	
Coal	7,678	8,557	113,138	101,245	
Coke	516	996	9,631	11,263	
Glass and glassware	1,177	906	13,960	10,673	
Petroleum products	6,002	6,925	97,937	90,089	
Stone and products	729	1,004	10,609	11,310	
Chemicals	5,881	5,684	80,843	70,548	
Acids	376	291	3,287	4,329	
Cellulose products	407	361	4,926	4,772	
Drugs and medicines	697	562	7,645	7,324	
Dyeing and tanning materials	555	466	7,032	7,459	
Fertilizers	302	393	4,251	3,867	
Paints and varnishes	557	528	7,465	6,281	
Inorganic chemicals	672	1,055	11,953	12,848	
Soda compounds	258	449	4,592	4,739	
*Miscellaneous commodities	26,671	29,327	388,786	429,338	
Amusement and sporting goods	241	105	2,219	1,056	
Personal and household equipment	694	277	5,830	3,942	
Refrigerators and parts	12	11	134	154	
Musical instruments	56	25	559	472	
Scientific equipment	579	705	8,451	9,809	
Vehicles, n.o.p. (except iron)	5,072	5,467	65,418	66,809	

* Includes certain military stores.

EXPORTS TO MIDDLE EAST COUNTRIES

Revised Procedure

1. The Department of Trade and Commerce announces that, effective at once, a recommendation of the Middle East Supply Centre, Cairo, will no longer be required for proposed exportations from Canada to the following Middle East countries, except for the commodities enumerated in paragraph 6 below:—

Aden	Iraq
Anglo-Egyptian Sudan	Khorya-Morya
British Somaliland	Libya
Cyprus	Palestine
Egypt	Saudi Arabia
Eritrea	Syria and Lebanon
Ethiopia (Abysinia)	Transjordan
French Somaliland	Yemen
Iran	

2. It should be particularly noted that the elimination of the requirement of having a Middle East Supply Centre recommendation, except for those goods enumerated in paragraph 6, does not remove the necessity of exporters having in their possession a valid import licence from the Middle East country concerned.

3. Furthermore, it should be noted that failure of the importer to have a valid import licence may result in the confiscation of the goods on their arrival at destination. Exporters should, therefore, continue to provide import licence numbers on all applications for export permits for Middle East destinations and, where called upon to do so, must present copies of the import licences. Exporters should note that the absence of any commodity from the restricted list (para. 6) does not necessarily indicate that export permits will be issued freely.

4. Applications for export permits for the commodities listed hereunder should not be filed with the Export Permit Branch until notification is received by the exporter that the proposed shipment has been recommended by the Middle East Supply Centre in Cairo. Such notification will be received by the exporter from the Middle East Supply Section, Foreign Economic Administration, 61 Broadway, New York 6, in the form of a letter in dup-

licate, one copy of which *must* be attached to the export permit application.

5. With regard to parcel-post shipments, it should be noted that the Canadian postal regulations permit of one parcel-post shipment per week of a maximum weight of 5 pounds to civilians in Middle East countries. An export permit would, however, be required for such parcels if valued at over \$5. Parcel-post shipments of a maximum weight of 11 pounds may be made to members of the Canadian Armed Forces in these countries, with no limitation on the number of parcels and without the need for export permits. The Export Permit Branch, in issuing export permits, assumes no responsibility in the event of confiscation of such shipments at port of destination due to lack of a valid import licence or for other reasons.

6. Commodities requiring Middle East Supply Centre recommendation, in addition to import licences, are:—

- Cereals (including rice).
- Sugar.
- Tea.
- Coffee.
- Edible oils and oilseeds.
- Fertilizers.
- Potatoes.
- Coal.
- Cement.
- Animal and vegetable proteins for animal feeding.
- Articles containing sugar.
- Beer.
- Canned and salted fish.
- Cocoa, including beans and preparations.
- Desiccated yeast for bread-making.
- Dextrose and glucose, including glucose monohydrate.
- Dried fruit.
- Edible nuts.
- Essential oils.
- Fats.
- Fruit pulp, other than citrus.
- Hog casings.
- Hops.
- Malt.
- Meat and meat products.
- Milk products, including infants' and invalids' milk foods.
- Molasses and syrups.
- Oat products.
- Onions.
- Pectin.
- Pulses.
- Saccharin.
- Scotch whisky.
- Seeds, field and vegetable.
- Soap.

Spices, the following: cinnamon, nutmeg, mace, ginger, pepper.	Motor cycles and parts.
Starch and inedible starch products.	Motor trucks and parts.
Vitamins and vitamin oils and concentrates.	Motor truck tractors and parts.
Casein.	Motor truck trailers and parts.
Paraffin wax.	Track-laying tractors.
Mica and manufactures substantially or wholly thereof.	Absorbent cotton, gauze and sterilized bandages.
Lead and manufactures substantially or wholly thereof.	Dental burrs.
Molybdenum wire.	Dental hand pieces.
Tin and manufactures substantially or wholly thereof.	Medical microscopes.
Tungsten, tungsten carbide and manufactures wholly thereof.	Dry-cell batteries.
Analytical balances..	Electric accumulators.
Insulated cable and wire.	Radio receiving and transmitting equipment and parts.
Agricultural and horticultural machinery and equipment.	Acetic acid <i>not</i> including vinegar.
Concrete mixers.	Acetic anhydride.
Domestic sewing-machines.	Acetone.
Refrigerators.	Ammonium nitrate.
Road-making and repairing equipment.	Ammonium phosphate.
Electrically- or turbine-driven laboratory centrifuges valued at more than £15.	Ammonium sulphate.
Vacuum pumps, 1 micron or higher vacuum.	Anhydrous ammonia.
Paper, paper-board, and manufactures substantially or wholly thereof.	Aniline oil and aniline salts.
*Wood and timber and manufactures substantially or wholly thereof.	Argols and wine lees.
Wood pulp.	Arsenious oxide.
Rubber and synthetic rubber, balata, gutta-percha and manufactures wholly or mainly thereof.	Butyl acetate.
Rubber tires and tubes.	Butyl alcohol.
Cotton twine, rope and cordage.	Calcium arsenate.
Cotton yarn and thread.	Calcium carbide.
Other manufactures substantially or wholly of cotton <i>not</i> including narrow fabrics.	Carbon bisulphide.
Flax and jute and manufactures substantially or wholly thereof.	Carbon black.
Hog bristles.	Carbon tetrachloride.
Kapok and manufactures substantially or wholly thereof.	Chlorine.
Rayon staple fibre and waste.	Chromic acid tanning compounds.
Rayon yarn.	Citric acid and citrates.
Other manufactures substantially or wholly of rayon <i>not</i> including narrow fabrics.	Coal tar dyestuffs.
Silk.	Codeine and salts.
Sisal and henequen cordage.	Cresols and cresylic acid.
Wool felt.	D.D.T.
Wool rags, noils and waste.	Diacetone alcohol.
Wool yarn.	Dichlorodifluorethane.
Woollen piece-goods.	Dicyandiamide.
Other manufactures substantially or wholly of wool.	Diphenylamine.
Hides.	Emetine and salts.
Leather and manufactures substantially or wholly thereof.	Ethyl alcohol.
Automobile servicing and maintenance equipment.	Formaldehyde.
Mine-type cars and parts.	Lead arsenate.
Motor buses and parts.	Lead chrome pigment.
Motor cars and parts.	Nicotine sulphate.
* Except the following:—Chairs, office furniture and store fixtures, wooden ware, furniture, insulation board, granite surface and structural, wooden rulers, sawdust, stenoids, cut-outs of wood, wood fibre, wood flour.	
Nicotinic acid.	
Paris Green.	
Penicillin.	
Phosphorous, phosphoric acid and phosphates.	
Phthalic anhydride.	
Potassium bichromate.	
Potassium chlorate.	
Potassium perchlorate.	
Pyrethrum flower and pyrethrum extracts.	
Rotenone and derris.	
Sodium arsenate.	
Sodium bichromate.	
Sodium chlorate.	
Sodium nitrate.	
Sodium silicate.	
Tanning materials.	
Tartaric acid and tartrates.	
Toluol and toluene.	
Urea.	
35 mm. unexposed cinematograph film.	
X-ray film.	
Arms, ammunition, explosives and fuses.	

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 5, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 5, 1945, and for the week ending Monday, January 29, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 29	Nominal Quotations in Montreal Week ending Feb. 5	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2753	.3304 .2747	3½ —
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	— —
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½ —
Colombia	Peso	.9733	.6358	.6343	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	— —
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½ —

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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132 CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

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Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) Cable address, *Cantracom*. (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) Cable address, *Cantracom*.

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London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. Cable address, *Sleighting, London*.

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London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. Cable address, *Agrilson*.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) Cable address, *Canadian*.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) Cable address, *Cantracom*.

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

	Page
United Kingdom Export Guarantee	
Legislation	133
Financing United Kingdom Industry.	134
Economic Conditions in France.....	135
Indian Market Conditions for House- hold Electrical Appliances.....	142
United States Ceiling Prices for Live Cattle	146
Argentine Export Trade in 1944.....	148
Economic, Trade and Production Notes	149
Mr. Butler to Visit Bermuda.....	151
Mail Service to France.....	151
Trade Regulations and Tariff Changes.	152
Foreign Exchange Quotations.....	154
Commercial Intelligence Service.....	155

UNITED KINGDOM EXPORT GUARANTEE LEGISLATION

By J. A. Langley, *Canadian Trade Commissioner at London*

In view of the establishment in Canada of facilities for the guaranteeing of export credits, it is worthy of note that the United Kingdom Government, which has had a similar scheme in operation since 1926, proposes to extend the facilities available to United Kingdom exporters. The guarantees are given to exporters in return for a premium and afford protection against the main risks of overseas trading. During the past five years the total amount guaranteed by policies issued has exceeded £375,000,000.

Main Provisions of New Legislation

The President of the Board of Trade has presented to the House of Com-

mons the Export Guarantee Bill which, if adopted, will increase from £75,000,000 to £200,000,000 the maximum liability which may be incurred by the Board in giving guarantees against loss on export trade transactions.

In addition the Bill proposes to enlarge the power to give guarantees covering contracts for constructional work abroad by removing the restriction which limits the Board's guarantee in respect of local expenditure on labour and materials to one-third of the value of the goods exported under the contract.

Finally, the Bill empowers the Board of Trade to give guarantees in connection with sales of goods by United

Kingdom merchants for shipment direct between countries overseas. The object of the clause is to enable guarantees to be given in respect of sales of unmanufactured goods and other primary products which do not compete with United Kingdom export trade in manufactured products.

Part Claims Met from Premiums

The guarantees given under the Export Guarantee Acts have imposed no charge on the United Kingdom Treasury, as the total of claims paid and the administrative expenses have been met from the premiums charged for the guarantees.

FINANCING UNITED KINGDOM INDUSTRY

By J. A. LANGLEY, *Canadian Trade Commissioner at London*

Arrangements for the provision of funds in connection with the rehabilitation of United Kingdom industry have been announced by the Chancellor of the Exchequer.

Resulting from discussions between banking and financial interests, presided over by the Bank of England, it is proposed to set up two companies to provide for the financial needs of industry in the post-war period.

The first company is to be called "The Finance Corporation for Industry Limited" with a capital of £25,000,000 and borrowing powers of £100,000,000; thus the total resources of the company will be £125,000,000. The capital is to be subscribed roughly in about equal proportions by consortiums of the insurance companies and the investment trust companies and by the Bank of England. Arrangements are being made whereby loan capital is to be supplied to the company by the clearing banks and the Scottish banks.

The purposes of this company will be the supply of temporary and long-period finance for industrial business with a view to their quick restoration and development in the national interest, thereby assisting in the maintenance and increase of employment. The company's primary object will be to provide finance and not to reorganize industry.

The second and smaller company, to be named "The Industrial and Commercial Finance Corporation Limited", will have a capital of £15,000,000 and borrowing powers of £30,000,000. The

capital will be subscribed by the clearing and Scottish banks, together with a token subscription by the Bank of England, and it is being arranged that the loan capital will be available from these banks in the same proportion as they subscribe for the shares of the company. The object will be to furnish medium and long-term capital for small and medium sized businesses in amounts, say, from £5,000 to £200,000. Amounts of less than £5,000 can easily be procured in the ordinary way from bankers.

Financial Organizations Will Operate Independently

It is proposed that both these companies will be managed as units in themselves entirely independent of the banks, with their own boards of directors and permanent staffs of men experienced in finance, commerce and industry. The larger company will have the assistance of a special "Industrial Advisory Panel". In order that the policy of the company may conform to the general economic policy of the Government, the appropriate government departments will be kept informed of the nature and extent of all major developments being considered by the companies.

It is the intention that the companies shall conduct their operations on the broadest possible basis consistent with commercial prudence, and it is hoped that they will become an important and stable feature in post-war financial machinery. The companies

will not in any way supersede existing sources for the supply of capital but will be supplementary thereto.

The Chancellor explained that the two companies are being created on the initiative of the banking, insurance and investment sections of the

business community and, in the opinion of the Government, they will constitute a helpful adjunct to the post-war financial plans for industry. It is considered that they will contribute in an important measure to the government policy of full employment.

ECONOMIC CONDITIONS IN FRANCE

By YVES LAMONTAGNE, *Commercial Secretary, Canadian Embassy at Paris*

The wholesale destruction and damage which the war has wrought on France's ports and internal communications has severely lowered production by reducing the flow of coal and raw materials to French factories. The result is that there are at present in France about 600,000 unemployed. Half this number is in Paris alone and in this area some 150,000 of the unemployed were engaged in the metallurgical industries.

While the coal-mine pits are undamaged and stocks at the pit-heads are mounting up, this coal cannot be moved to the plants where it is sorely needed. The winter has been bitterly cold and unprecedented snowfalls and floods have adversely affected transportation. Houses and buildings are without heat. In the country, storage facilities for wheat and other crops are lacking. Heavy frosts have damaged certain crops, while rains have prevented seeding. Present consumption of meat and butter is about half that of 1939.

The needs of civilians are acute and should be met as soon as possible, but the war effort naturally comes first. There are 600,000 men in the French army and 300,000 more are being trained. By the coming spring it is expected that there will be 1,200,000 men in the army.

Heavy army equipment and material is expected before long, mainly from the United States, which is reported in the French press as initiating a billion-dollar production program in France during 1945, the procurement items to include uniforms for American

soldiers, as many truck tires as the industry can produce, metal drums and cans, and, among other items, lumber, cement, paint, electric-light bulbs and X-ray film. It is stated that the French Government will pay for the manufacture of the goods, while the raw and semi-manufactured materials will be provided without cost to the French by the United States and Great Britain, most of the materials to come from the United States. American and British weapons supplied to the French will help to balance the accounts under reciprocal aid.

External Communications

Shipping space is a matter of considerable concern, both for war and civilian supplies to be sent to France. Whatever plans may have been made by the Allies to ship materials and goods to France during the first six months of liberation were materially altered because of ocean shipping difficulties, the damage to French ports, and the fact that the enemy still prevents the use of some of the main ports. Furthermore, the damage to, and disruption of, internal communications by water, by rail and by road, has also added greatly to the supply problem.

SHIPPING

At the outbreak of the war France's merchant navy totalled slightly over 3,000,000 tons and carried about half of France's sea-borne trade. The total tonnage of motor and steam ships at present available to the French is about 700,000, of which 500,000 tons are controlled by France's allies. France's

shipbuilding yards have suffered heavily during the war and years will be required to rebuild or repair them.

Before the war about 20,000 workers were employed in shipbuilding, rarely working fulltime, and France specialized in warships and Atlantic ocean vessels such as the Normandie and other fine ships. Shipbuilding in France was costly as compared with that in Great Britain, one of the main reasons being that, whereas in the United Kingdom the yards were concentrated in a few acres, in France shipbuilding was carried on in a relatively large number of yards distributed along the sea-coasts. In 1937 the tonnage of ships launched in France was only 27,000 as compared with 921,000 in the United Kingdom and 184,000 in Holland.

Approximately half of France's foreign trade was effected through its seaports before 1940. Out of a total of 61·6 million tons of goods imported in 1937, seaborne goods totalled 37·3 million ton. In respect of exports, however, which totalled 37·7 million tons, only 7 million tons were exported by sea. This disparity is due to the fact that France's imports consist mainly of raw materials, which are most advantageously moved by ship, while its exports are mainly manufactures. In 1938 the number of ships entering French ports was 78,479, their tonnage totalling 72,911,000.

Arrangements are being made to raise and salvage several hundred ships which have been sunk in French harbours or off the coasts. Of these, 250 to 300 are of large size and represent a total of about one million tons. This

work will take about four years and will require an expenditure of about \$20,000,000 at the present fixed rate of exchange.

The French fishing fleet now totals only 8,600 tons or less than 8 per cent of the prewar tonnage; some 40,000 tons are still controlled by the Allies.

PORTS

France's ports may be divided into four main categories. The first category comprises the passenger ports, such as Calais, Boulogne, Dieppe and Port Vendres. Secondly, there are the ports of call, such as Cherbourg and Boulogne. The third category consists of the ports which mainly handle freight, including Rouen (which receives coal and wine for the Paris area); Dunkirk (for fertilizers, raw wool, jute, flax, pitprops, wine, peanuts); Nantes (imports of coal, phosphates, wines, cereals, chemicals); St. Nazaire (for trade with Central America); Bordeaux (for trade with South America, West Africa and Morocco, imports consisting chiefly of colonial products, rubber, coal, petroleum, cereals, codfish, while wine exports are important); Caen (which thrives on exports of iron ore); Sète (an important centre for the wine trade); Brest (which receives Algerian wines and British coal). In the fourth category are the large cargo and passenger traffic ports of Le Havre and Marseilles.

The accompanying table shows the relative importance of the principal French ports, which are ranked according to the tonnage of cargo handled in 1936.

Traffic Handled by French Ports in 1936

	Ships Entered		Cargo Handled		Passengers	
	Number	Tonnage	Inward	Outward	Inward	Outward
Marseilles	8,383	16,544,000	6,578,000	2,700,000	372,000	313,000
Rouen	4,155	4,073,000	6,700,000	1,311,000	2,000	2,400
Le Havre	8,804	11,555,000	4,230,000	944,780	62,260	67,300
Dunkirk	2,984	4,611,000	2,745,000	1,854,500	18,206	20,230
Bordeaux	2,778	4,120,000	3,253,000	1,049,570	22,290	30,058
Nantes	3,966	2,624,300	2,740,000	680,400	2,820	2,048
St. Nazaire	1,425	622,630	1,170,000	618,000	...	...
Caen	2,978	3,846,000	657,000	519,800	194,520	222,340
Boulogne	1,625	1,402,000	922,000	240,000	355	519
Sète	3,903	1,149,200	817,380	103,700	1,602	2,176
La Rochelle	4,507	1,292,000	663,880	175,800	1,210	1,205
Brest	2,245	1,645,700	558,240	265,235	207,899	180,498
Calais	1,472	1,017,200	478,380	152,840	133,752	119,000
Dieppe						

Having in mind the figures for 1936 shown in the table, what is the present situation as regards France's ports?

The first fact which stands out is that some 100,000 Germans still hold the Atlantic ports of St. Nazaire, Lorient, and La Rochelle, as well as the mouth of the Gironde river, preventing access to the great port of Bordeaux, whose equipment remains undamaged, and that the Germans are still in Dunkirk, which has been extensively damaged. Nantes cannot be used because of St. Nazaire's occupation by the enemy.

The second outstanding fact is that the ports which have been liberated have been greatly damaged. The Germans systematically and thoroughly destroyed Marseilles. Calais and Boulogne have been almost completely destroyed, while destruction has been considerable in Rouen, Le Havre, Dieppe, Fecamp, Cherbourg, Sète and Caen. It will not be possible to make much use of these ports for a considerable time because of the damage to piers, hangars, and port equipment. The hangars have been practically completely destroyed at Havre, Rouen and Boulogne, while one-third of the area of the hangars at Marseilles has been destroyed. As regards hoisting cranes, the Germans left only 12 at Rouen out of 250, at Marseilles only 70 out of 280; only two were available at Boulogne.

At Marseilles 175,000 tons of shipping were sunk, out of which 70,000 tons are definitely lost, 20,000 tons can be repaired fairly quickly, and 85,000 tons after a considerable time. Already 14,000 tons have been raised and 40,000 tons are in process of being re-floated. At Rouen, where 200 wrecked ships obstructed traffic at the outset of liberation, 47 ships or obstacles have been raised or broken up, and 40 cranes have been re-erected.

The Allies have greatly assisted in facilitating access to the ports. On the Mediterranean the port of Sète is now open to trade, while work at Port Vendres and in the commercial area of

the harbour of Toulon will soon permit of an increase in trade between these ports and French North Africa.

Interior Communications

Extensive damage to France's inland communications system has resulted (a) from the German invasion in 1940, (b) from allied aerial bombardments during the occupation, (c) through destructions effected by the Germans and by the Allies from the outset of the landings in Normandy, and (d) from sabotage by the French themselves to hinder German efforts.

At the beginning of September, 1944, France found itself cut up into zones without means of communication between them, the limits being marked by a few rivers. Thus on the Loire all the bridges were destroyed below Nevers; on the Seine all the bridges were down below Paris; on the Rhône all the bridges had been cut with the exception of a single viaduct between Lyons and Marseilles. For several weeks, therefore, certain areas were living independently because railway communications had been severed.

Traffic was held up on the rivers because of the collapse of the bridges, while in the areas where a census had been taken, 164 canal locks and 34 dams had been put out of commission. Only 5,500 barges were left available for use as against over 10,000 before the war, while tugs numbered only about 200 out of 425. Where a count was possible, it was found that 3,125 bridges had been damaged or destroyed. In Lyons only two out of 24 bridges could be used, whereas in Paris all the bridges remained untouched. Temporary repairs have been made or bridges erected; on October 15, 1944, there were 74 in service, while a month later 1,200 could again be used.

RAILWAYS

At the beginning of 1937 France possessed 26,600 miles of main railroad lines, over 12,500 miles of other broad-gauge track and 750 miles of narrow-gauge railways. At the end of 1937,

1,940 miles of lines were electrified, or nearly 5 per cent of the total.

At the beginning of September, 1944, the railway bridges which had been blown up numbered 1,900 to 2,000. Over 570 signal stations had been put out of commission, together with about 8,500 switches. Fifteen of the nineteen largest railway stations had been destroyed, besides many smaller stations. Nearly 1,500 miles of main-line track were damaged, but almost all the main-line tracks in liberated France can now be used.

In 1939 locomotives in use in France numbered 15,900; in 1943 there were 11,000. At the beginning of September, 1944, only about 3,000 locomotives were still in running order. Over 3,000 have since been repaired, but some 2,000 locomotives are operated entirely for military purposes. Another 5,000 damaged locomotives have yet to be repaired, as well as tens of thousands of railway trucks still on the rails. Before the war France had about 460,000 railway cars. There are only approximately 180,000 which can now be used, and nearly half of these are required for military transport. Some 25,000 cars are damaged beyond repair.

As an illustration of the situation, there arrived in Paris during the first two weeks of September, 1944, only four trains of coal and 5,000 tons of goods. During the third week there arrived 12 trains of coal and 1,000 tons of goods. During the second week of October, 76 trains of coal brought 9,000 tons of fuel. During the week November 17-23, 108 trains arrived in Paris with 12,500 tons of coal.

During the first half of December last it was not possible for the French railways to carry more than from 360,000 to 370,000 metric tons of coal or heavy products per week. Out of 15,000 railway trucks required for five weeks from December 20, 1944, for industrial products, it appears that it was possible to secure only 800.

It was reported at the end of December that over 1,700 locomotives and nearly 30,000 railway cars, which the Germans had seized in France, had

been placed at the disposal of the French by the American authorities.

As the French railways have been operating at a loss, they have been granted an increase in rates which may make up about half the deficit. On January 15 passenger fares were increased by 40 per cent. Freight rates, which had only been raised by 16 per cent since 1939, have been increased by 70 per cent. It is estimated that the incidence on prices will be slight; only one per cent on butter, meat and sugar, and 2·5 per cent on milk. Certain products remain unaffected, transportation costs on such goods as coal, wheat and flour being paid by the Government.

AUTOMOBILES

The number of automobiles of all kinds in use in France at the beginning of January, 1937, was 2,317,000 (Canada, 1,221,000). The number of automobiles built in France during 1936 was 203,000 (Canada, 162,000).

Whereas there were in France about 80,000 motor trucks in 1939, a Paris newspaper states that only about one quarter of this number are at present in use, most of them in poor condition because of lack of oil, rubber tires and spare parts. According to a 1944 census, the 11,000 public transport vehicles are operated by 3,500 concerns; 80 per cent of the trucks are equipped with wood-burning gasogenes. It is estimated that in Paris alone 30,000 automobiles are equipped with gasogenes.

It is reported that in November, 1944, 850 motor trucks were manufactured in France as compared with only 34 in September. It has also been announced that the French automobile industry plans to manufacture 50,000 heavy motor lorries in 1945 as against only 16,000 private cars, and that production will be greatly helped during the second half of the year by imports of iron and steel from the United States. It appears likely that France's production of motor cars in 1946 may equal that of 1938 as regards the total weight of the cars manufactured and in the number of workers employed in the automobile industry. It is said

that the number of models of private cars may be reduced to only four or five following a concentration of the plants. The Renault factories have been definitely taken over by the State.

Rubber tires.—Pre-war consumption of rubber in France was approximately 65,000 metric tons per year. During the war France received 12,700 tons of natural rubber and 14,500 tons of German buna, a total of 27,200 tons. However, France supplied Germany with the greater part of this quantity, leaving 8,600 tons which was distributed as follows: 4,000 tons for automobile tires, 1,400 tons for bicycle tires, and 3,200 tons for other products. France depends entirely on imports for its needs in crude rubber.

Industry

While the factories in France on the whole have suffered comparatively little damage as a result of the war in respect to buildings and equipment, many of them are completely idle or working far below capacity because of lack of fuel, raw materials and, in some instances, because of the number of specialized workers who were drafted to Germany. The key to many problems lies in the restoration of the transportation system.

Whereas France produces two-thirds of its coal requirements, it depends almost entirely on imports for the raw materials required for its industries, such as raw cotton, wool, jute, flax, petroleum and non-ferrous metals, including nickel, chrome, tungsten, molybdenum and vanadium for special steels.

COAL

It is estimated that the coal required for the railways, the production of electricity and gas, the hospitals and schools, the bakers, and the small ration provided for certain families, amounts to 241,000 metric tons per week for the whole of France. At the beginning of January, 1945, the total which could be transported amounted to about 260,000 tons of coal a week, which left only 19,000 tons for the war

industries and industries contributing to the war effort, such as cement, leather, rubber, and certain manufactured foods. As an example of the results of the lack of transportation facilities, in the Paris area alone arrivals of coal, which totalled 434,000 metric tons per month in 1943, had fallen to 273,000 tons in March, 1944, and to 55,000 tons in July, 1944, or less than 2,000 tons per day.

Before the war the annual output of coal in France was about 50 million metric tons. At the end of August, 1944, the output per working day was only 40,000 metric tons or 38 per cent of production during the first quarter of 1944. In September last only 722 tons were delivered to the armies in the field; in November these deliveries totalled 69,000 tons. The consumption of the French national railways was only 5,000 tons in September, 1944; two months later it had been raised to 20,000 tons, of which 65 per cent was used for military transport.

Coal production in the whole of France during the week ending December 24, 1944, amounted to 598,000 metric tons, including 384,000 tons from the mines in the North and Pas-Pas-de-Calais areas have been nationalized from heavier arrivals of pitprops.

The coal mines in the North and Pas-de-Calais regions have been nationalized. However, the properties have not been confiscated and the settlement of their transfer has been deferred until such time as France has a duly elected national assembly. The former owners have been deprived of the possession and management of their properties and they have only three representatives in the advisory committee of 24 members which meets once a month. The permanent body of the committee consists of three representatives of the workers, two representatives of the State and one representative of the users, the former owners not being represented. It is likely that all the French coal mines will be nationalized. A plan concerning the nationalization of electricity is being studied by a special commission.

IRON AND STEEL

In 1938 the output of the steel industries in France was 421,000 metric tons per month as against a monthly consumption of 735,000 tons of coal and coke.

It is expected that in 1945 not more than 200,000 tons of fuel will be available for the steel industries, which represents about 140,000 tons of iron and steel or about one-third of France's pre-war output.

It is reported that only nine blast furnaces are at present in operation as compared with 100 to 1939.

As compared with the beginning of 1944, the production of pig iron had fallen by two-thirds in June last. In November, 1944, less than 50,000 metric tons of steel was produced, or one-tenth only of production in 1939.

TEXTILES

The production of textiles is an important industry in the north of France. Including the Pas-de-Calais, there were in this area before the war about 2,000 factories employing 200,000 workers, and their output was approximately 95 per cent of the total production of combed wool for the whole of France, 85 per cent of France's output of combed wool yarns, 23 per cent of the carded yarns, 48 per cent of the total production of woollen fabrics, 42 per cent of the total cotton-yarn output and 95 per cent of the production of linen yarns and thread.

Twelve factories have been completely destroyed and 614 have been more or less damaged. The extent of the damage, excluding the Dunkirk area, is estimated, on the basis of 1939 valuation, at over 1,500 million francs.

Because of difficulties in respect of supply of raw materials, etc., only about 80,000 workers are employed at the present time, many of them on repairs or maintenance of the plants. It is estimated that the minimum monthly requirements, for the present number of workers, are 1,600 metric tons of wool, 1,500 tons of cotton, 3,000 tons

of flax, 2,000 tons of jute, 1,500 tons of sisal and 170 tons of hemp. The monthly coal requirements amount to 23,000 metric tons; in November last only 4,000 tons were available and in December 8,000 tons.

GLASS

The glass factories are gradually increasing their output. In August, 1944, only the Aniche glassworks were in operation; working at one-third of capacity, their output was 120,000 square metres of glass per month. Other glassworks have re-started or stepped up production and the output of window glass and moulded glass was expected by February to amount to 18 million square metres, or 50 per cent above the pre-war output.

As a result of the damage caused by the war, the total requirements amount to 50 million square metres. Lack of transport for coal, sand and sodium carbonate is delaying production. It has been decided that almost the whole of the output of glass will be reserved to meet the needs of the distressed areas under the control of the Ministry of Reconstruction. The French railways require about three million square metres and the needs of the smaller industries will also be filled.

Distressed Areas

Preliminary estimates of the destruction caused by the war to the towns and villages place the number of buildings destroyed or damaged at over 1,200,000 as compared with 927,000 in the last war, the damage during 1914-18 amounting to 78 billion gold francs. Damage during the present war is estimated at about 3,000 billion present-day francs.

The departments which have suffered most are: the North, 134,000 buildings damaged; the Pas-de-Calais, 120,000; Calvados, 71,000; Seine, 58,000; Manche, 53,000; and Seine-Inferieure, 50,000.

A considerable number of temporary wooden buildings will be required, not only to house the people who have

been rendered homeless, but also the workers who will be employed in re-building. Other dwellings of a more or less temporary character will be needed to house many of the prisoners of war and deportees who will return to France from Germany after the war.

Agriculture

Before the war France produced 87 per cent of its needs in barley, 90 per cent of its requirements of wheat, 97 per cent of its rye requirements and 99 per cent of its consumption of oats. Thus France was nearly self-sufficient as regards cereals, with the exception of corn, 60 per cent of its total requirements for this commodity being imported. France also produced nearly all its meat requirements and practically 100 per cent of its needs in butter and cheese.

At present meat and butter consumption is only about half that of 1939. In that year the total consumption was 1,700,000 metric tons of meat and 230,000 tons of butter; in 1943 consumption was estimated at about 920,000 tons of meat and 123,000 tons of butter. Distribution of foodstuffs is difficult because of lack of transportation. The meat ration is a little over half a pound per week, and butter a little over half a pound per person per month.

Wheat.—During the ten-year period 1929 to 1938 the wheat crop averaged about 7,800,000 metric tons per annum, or approximately 290 million bushels. The maximum crop was 365 million bushels in 1933 and the minimum was 230 million bushels in 1930. Production covers about 12 million acres and interests 1,600,000 farmers.

The 1943 crop was estimated at 315 million bushels, while the 1944 crop estimate is about 240 million bushels. A large percentage of the 1943 crop remained in the hands of the farmers, largely because of the high rate of flour extraction and the low bread ration. Last fall wheat deliveries were also on a reduced scale, due to the

fact that the harvest period was longer and that threshing was delayed, fuel and electricity being scarcer. In the north of France the Germans were unable to remove the stocks of wheat which they had collected there for Germany.

While bread should not be lacking this season, there is considerable fear in respect of the 1945 crop for several reasons. The land has been neglected, both as regards tilling and the use of fertilizer. The scarcity of fuel for mechanical cultivation and the heavy requisitioning of horses by the German army has delayed work in the fields. Moreover, rain has prevented seeding and nearly half the wheat remains to be sown. A special effort will have to be made to ensure an average crop in order to avert a serious shortage.

Meats.—While the number of head of cattle in France decreased only slightly during the war, it appears that the weight of the animals is considerably lower. Many of the cattle are too young and three or four animals are now required to produce the same quantity of meat as two animals yielded in 1940. In Normandy the cattle lack sufficient fodder. To make up the deficit in beef meats, a considerable increase will have to be effected in the raising of hogs and sheep.

Airfield Construction in India

At the peak construction period over 50 airfields were being built in various parts of India. A labour force of 600,000 was employed on this great task, directed from one operational centre under a Chief Engineer. These labourers were collected from all over India. Labour from Cochin and Travancore, 1,700 miles south, and from Patiala and Nabha, a thousand miles west, was brought to Assam to supplement local labour in construction work on the airfields. The Indian railways were serving railside airfields with 16,000 wagons per day at the peak of the building period.

INDIAN MARKET CONDITIONS FOR ELECTRIC HOUSEHOLD APPLIANCES

By PAUL SYKES, *Canadian Trade Commissioner at Bombay*

(One rupee equals approximately \$0.335 Canadian)

There is a limited but expanding market in India for a variety of electric household appliances. Only small quantities of such goods have heretofore been imported from Canada, the bulk of the trade having been with the United Kingdom, the United States, and Germany. The following review of local market conditions and of the growing demand for particular types of electric household equipment is submitted for the information of Canadian manufacturers and export agents interested in the Indian market for these appliances.

Extent of Market

It is impossible to give any precise and comprehensive figures of the quantities and values of Indian imports of electric household appliances. Such statistics can only be provided for the trade in electric refrigerators, ceiling and table fans, miscellaneous electric instruments, and miscellaneous electrical goods and apparatus. This last-mentioned group comprises the bulk of India's imports of air conditioners, refrigerators, vacuum cleaners, washing-machines, irons, toasters, percolators and other items with which this report is mainly concerned.

Summary figures of the approximate average yearly values of imports of the four foregoing groups of electric appliances into India during the five years ending March 31, 1940, are given herewith:—

Indian Imports of Electrical Household Appliances

Ceiling and table fans—

United Kingdom	Rs.1,700,000
Italy	500,000
Germany	400,000
Japan	150,000
Other	250,000
Total	Rs.3,000,000

Miscellaneous electric instruments—

United Kingdom	Rs. 350,000
Germany	125,000
United States	75,000
Other	50,000
Total	Rs. 600,000

Miscellaneous electric goods and appliances—

United Kingdom	Rs.2,250,000
Germany	550,000
United States	400,000
Other	300,000
Total	Rs.3,500,000

Domestic refrigerators—

United States	Rs. 670,000
Sweden	270,000
Other	60,000
Total	Rs.1,000,000

It is obvious from these figures, that, with the exception of the trade in fans and a varied assortment of appliances, India has so far been a comparatively small market for all types of electric household equipment.

Sales Competition

The foregoing statistics of imports of electric appliances into India indicate that the United Kingdom has exercised a considerable degree of control over most branches of the trade. This has been due to the traditionally close association of many United Kingdom manufacturers with the Indian market, as well as to the incidence of a preferential rate of duty for such United Kingdom products as compared with similar goods from other countries. The rates at present in force are 24 and 36 per cent respectively. Germany was second in importance in the trade in miscellaneous appliances, while the United States has also shared largely in the same business and has been outstanding in the trade in refrigerators. Italy was an important supplier of fans, and Sweden has held second place in the refrigerator business. Japan's position has been comparatively unimportant, but

as a result of strenuous price competition, her share of all such trade had been increasing considerably prior to her entry into the war.

Participation in this trade by United Kingdom, United States and German firms has frequently been based on the maintenance of Indian subsidiary companies with branches in the main cities and agencies in the less important centres. Such an arrangement permits the holding of stocks of lines in regular demand, special financial arrangements when desirable, constant personal review of market trends, and, in general, the maintenance of market contacts which are beyond the reach of a manufacturer who deals only through sales agents or similar connections.

There had been practically no competition from domestic sources prior to the war, although the manufacture of ceiling fans, small electric motors and water-pumps had been begun and has since been extended. Abnormal wartime demand has subsequently led to a limited production of electric kettles, irons, and a number of the more simply made appliances of this type. It is improbable, however, that such competition will exert much influence on post-war imports of appliances of good quality for a considerable time. The entry of two important British firms, as well as a number of purely local companies, into this industry must nevertheless be given due consideration.

General Market Characteristics

In considering India's post-war possibilities as a market for electrical household appliances, attention should not only be paid to the limited volume of pre-war imports but also to the probability that some of the main factors in that situation will persist in future. There is in India, for example, only a very small European population, while a high proportion of the Indian element is neither accustomed nor likely to become accustomed to the use of modern household equipment of this type. Domestic servants are gen-

erally available in large numbers, and they have frequently been trained and prefer to use their own particular local types of household appliances. It is not uncommon also that potential consumers of such goods resident on tea estates and in other isolated areas are not supplied with electric current, the production and distribution of which still awaits considerable expansion.

On the other hand, there is evidence of a widening appreciation of the utility of these goods. A number of new apartment houses in the larger cities have been equipped with electric refrigerators. The provision of sockets for use with irons, razors, and other small appliances has extended to many hotels, clubs, and other institutions. Of considerably more significance, however, has been the general tendency, in the larger cities at least, towards modernization in standards of living, including the use of all such aids to comfort, convenience and health. This trend is likely to receive considerable impetus from the power companies interested in the sale of electric current and the extension of their clientele. Such power development projects are among the more substantial undertakings involved in the Indian Government's plans for post-war reconstruction and development.

There seems little doubt, therefore, that India will in future purchase considerably larger quantities of electric appliances than in the past. The current shortage of supplies and the heavy demand for replacements are likely to lead to an abnormal increase in imports as soon as stocks are available from abroad. This may be followed by a decline in the rate of purchases, but it is likely that the market will be of much more interest and value than ever before.

Types in Demand

In addition to the foregoing reference to the types of electric appliances in particular demand in the Indian market and general details of pre-war trade in ceiling and table fans and

refrigerators, the following notes are supplied:—

Refrigerators.—There is a substantial market for electric refrigerators in India, the bulk of this trade having been controlled by United States manufacturers. The general demand is for a well-made machine with a sound cabinet and ample refrigerating capacity of four to eight cubic feet. Frigidaire, General Electric, and Kelvinator are among the better-known makes, while Electrolux, of Swedish origin, although supplied for electricity and gas operation, has generally been shipped to India for use with kerosene.

Air Conditioners.—There is a growing market for portable air-conditioning machines designed for operation by domestic current. These machines must be fully mechanical and capable of maintaining a room of average size at a temperature of 70° to 80° when outside temperatures range from 80° to 120°. Carrier, General Electric, and Westinghouse are among the best-known makes at present on the market, although a number of others of United States manufacture have also been sold.

Firms considering the production of such goods for sale to India and adjacent tropical countries should give attention to the production of a compact and attractive cabinet and to supplying a motor and compressor of ample capacity and robust type that will withstand the effect of continuous operation at full load. Capacity should range up to three tons.

Cooking Appliances.—There is not much demand for substantial, high-quality electric stoves, but there is a fair market for the smaller types and for one- and two-burner hot-plates. Many of the stoves sold in India to date have been of British manufacture and are, by Canadian standards, of heavy and antiquated design.

It may be noted in this connection that large numbers of India's population are vegetarians, and there is accordingly a much smaller demand for oven-type stoves than in many other countries.

Washing-machines.—The market for these is limited by the low cost of Indian "dhobies", but there appears to be some increase in demand. Competition from United States manufacturers suggests that types offered should be of the most modern design.

There seems a reasonable prospect that advertising and publicity campaigns, arranged with efficient agents, that would stress the saving of wear and tear on clothes and the desirability of having children's clothing washed at home might assist considerably in introducing washing-machines to the local market on a satisfactory scale.

Irons, Toasters, etc.—This general range of goods can be sold in fairly substantial volume. Irons are in widespread use, and toasters, kettles, percolators, and other appliances for the kitchen and dining-room are also being used in increasing quantities. All such goods are required mainly in ordinary domestic sizes as, there is a very small demand for the larger types for use in hotels, restaurants, etc.

Hair-driers, Razors, etc.—This trade is very limited, but a small amount of business is possible, and there appears to be some scope for increased sales of electric razors.

Water-heaters.—There is a limited market for instantaneous and storage types of water-heaters in the better-class homes, and some call also for small immersion-type heaters for milk and shaving water, etc.

Lighting Equipment.—There is a good market for ceiling and wall fixtures and a growing market for standing and table lamps. Some of these goods are made locally from wood and other materials.

Previous references to improvements in living standards, combined with the readiness of electric power companies to co-operate in the sale of lighting appliances, will indicate the possibilities of such business. Modern styles in cheap to average quality and price will be in demand.

Clocks.—There is a small market for electric clocks, mainly of the wall type.

Vacuum Cleaners.—There is a very small demand for vacuum cleaners in India on account of the low cost of domestic labour and the widespread use of tile or composition floors.

Fans.—There will always be a good market in India for electric fans in table types of 8-, 12-, and 16-inch dimensions and in ceiling types, preferably of 56-inch span. Note should be made in this regard of a previous reference to British and Italian, as well as Japanese and local, competition.

Pumps.—There is some demand for small-capacity house-service water-pumps for raising domestic water supplies from low-capacity mains to roof storage tanks. Pumps of this type and of slightly higher capacities are in considerable demand in India and adjacent countries.

Miscellaneous.—There is likely to be an improved market in India for a variety of comparatively novel types of electric household appliances such as vegetable-dehydrators, bathroom equipment, kitchen and pantry utensils, etc., such goods in most instances being of a type suited for use in hot weather.

Quality, Design, Finish

In general it may be suggested that electric appliances for supply to the Indian market should be of simple design, substantial quality, and durable finish. All such equipment receives unusually rough treatment from Indian servants and should accordingly be as resistant as possible to such use. In addition, the hot and humid climate of most parts of the country indicates the desirability of ensuring that materials used in manufacture should be strong and durable and that plated, enamelled or other finishes should ensure permanence of appearance and ample protection for metal and other bases.

The quality and installation of insulating materials, which are particularly subject to deterioration from severe climate conditions, as well as from lack of attention, are also important.

Current, Fittings, Etc.

The types of current available vary in different parts of India. In general it is 230-volt 50-cycle AC, although in some areas DC is still used, and in a few cases (as in Mysore State) a voltage of 110. Agents or buyers should on this account be instructed to specify on all orders the particular type of current on which all or any part of particular shipments are to be used.

The use of bayonet-type fittings is almost universal. Manufacturers should be prepared to supply such equipment with all orders for the Indian market, but these specifications should also be noted by agents or buyers when placing orders.

Representation

Electric household equipment will preferably be sold in India by well-established, experienced, and financially responsible agency firms, who will provide coverage for all or clearly defined parts of the country. Their orders will generally comprise indents from departmental stores, smaller specialized retail shops, and on some occasions from showrooms or similar establishments maintained by electric power companies. The agent may in some instances purchase a certain amount of lines which are in steady demand for resale to new accounts or for the convenience of regular customers. He may also undertake some of the responsibility for maintaining a supply of essential parts and in some cases for the servicing of such appliances as refrigerators.

Manufacturers and exporters will find it of great advantage to deal, if possible, with a representative who can cover the whole market, either through his own branches or through arrangements with competent sub-agents. Such an agency renders it unnecessary to correspond with a number of local connections, prevents possible harmful competition between agents in adjoining areas, and permits the manufacturer to obtain a more comprehensive and accurate idea of the market than is possible by any other means.

The agent, in addition to agreed commissions on different lines and possibly to special discounts on his own purchases, should be supplied with adequate sales literature for distribution to regular and prospective customers, while there may be occasions when he may be given a supply of samples gratis or on special terms for publicity or demonstration purposes.

Import Regulations

Import control regulations which have been enforced for some years prohibit the purchase of household electric equipment of Canadian manufacture, and no business can accordingly be done in this market except when special licences are made available. It is impossible to forecast when such regulations may be rescinded or relaxed, but a general tendency to permit increased imports of consumer goods suggests that there may be some resumptions of business in the reasonably early future.

Correspondence with Local Firms

Canadian firms engaged in the manufacture of household electric equipment are likely to receive inquiries from prospective agents in this country. A high proportion of such firms are unlikely to have had any appreciable experience in such business or to be in a position to give adequate coverage of the whole market or any of its more important parts. It is recommended, on this account, that all such inquiries

be treated with care and that no commitments be made except when there is every assurance that these will result satisfactorily. This office will always be glad to co-operate with exporters in the location and appointment of local representatives.

Summary

The foregoing review of various aspects of the Indian market for electric household appliances may be concluded with the suggestion, first, that, India is a territory where first price is frequently the prime concern of purchasers and where competition from a number of sources is unusually keen. It will be fairly clear for such reasons that sales of these goods in substantial volume must depend not only on the employment of competent and experienced agents but, to an even greater extent, on the supply of simply designed, durable and low-priced goods; quality products will be sold in much smaller amounts. Secondly, refrigeration, air-conditioning and similar appliances are now in common use in this territory and will be in regular and extensive demand. Thirdly, the purchasing capacity of the Indian market for these articles has not only expanded greatly as a result of the war, but there is a serious shortage of replacements. It can be safely assumed, therefore, that as this trade can be resumed, its volume is likely to exceed all previous records.

UNITED STATES CEILING PRICES FOR LIVE CATTLE

By W. D. WALLACE, *Office of the Canadian Trade Commissioner at New York*

The Office of Price Administration has issued Maximum Price Regulation No. 574: Live Bovine Animals (Cattle and Calves), establishing price ceilings ranging from \$17.25 to \$18.60 per live hundredweight, effective January 29, 1945. This order brings under definite control the only important basic food commodity that had not been under direct control. It is designed to give buyers and sellers, from cattle-feeders

to retailers, a reasonable assurance of a fair margin between legal buying and legal selling prices, so that they can do business profitably.

Ceiling Prices

The regulation establishes an "overriding ceiling" on live cattle and calves at ten market centres and in twenty-four zones, which will be the legal limit for the sale of cattle and calves

regardless of grades. The top price at which cattle of any grade can be sold is \$18 per live hundredweight at Chicago, one of the ten market centres, and will be in effect until July 2, 1945. On that date the ceiling will be lowered to \$17.50 per live hundredweight, with a similar reduction in the "overriding ceiling" prices at all other market centres and zones.

Cattle or calves sold for breeding or dairy purposes and those sold by members of recognized farm-youth organizations, such as 4-H and other clubs, at sales approved by the Office of Price Administration, are exempt from the "overriding ceiling."

Drove Compliance

The order also sets a maximum limit on the amount which a slaughterer may pay for all the cattle he slaughtered during a monthly accounting period; this is called "drove compliance." In order to determine the drove cost compliance, the regulation divides slaughterers (persons owning live stock at the time it is killed for meat production) into the following two groups:—

Large Slaughterers.—Any slaughterer killing 50,000 pounds or more, live weight, of cattle and calves during a monthly accounting period must calculate his maximum permissible cost of cattle on the same basis as he now calculates his maximum cost for determining eligibility for subsidy payments. That is, he must report the dressed carcass weight of the beef produced, by grades, during the monthly accounting period; calculate the equivalent live weights, by grades, using the dressed carcass yields prescribed in the regulation; and then multiply these equivalent live weights by the maximum prices applicable to the zone or market where the slaughtering plant is established. The total cost of cattle, including any transportation charges paid by the slaughterer, must not exceed the sum of the permissible payments determined in the manner described.

Small Slaughterers.—Persons who slaughter less than 50,000 pounds, live weight, of cattle and calves, during a month's time, may determine their compliance with the maximum permissible cost in the same manner as the larger slaughterers, if they choose to do so. However, for small slaughterers who do not elect to use that method, the Office of Price Administration provides a table of prices which vary with the average dressed carcass yield for each zone and market centre. To determine their compliance, these slaughterers divide the total dressed carcass weight of all cattle slaughtered during the month by their total weight. The result, expressed as a percentage and rounded to the nearest whole number, is the average dressed carcass yield for the month. The maximum permissible average price for this average dressed carcass yield applicable to the zone or market in which the slaughter plant is located, is then multiplied by the total live weight, expressed in hundred-weight, of the cattle slaughtered during the month. This is the slaughterer's maximum permissible cost of cattle. The slaughterer's total cost of cattle, including the cost of transportation, must not exceed the figures so calculated.

The maximum permissible average prices for the smaller slaughterers are based upon an approximate average of the maximum prices for the choice, good, medium and common grades for the zones, with adjustments for variations in yields.

Freight Allowance

The order also provides a "freight forgiveness" for slaughterers located in the East. In determining the total cost of cattle, all slaughterers must include the cost of rail freight, including charges for feeding en route. However, slaughterers east of the line following the eastern side of Lake Michigan to the eastern boundary of Indiana, then southwest along the Ohio River to the Mississippi River and southward to the Gulf of Mexico, are allowed to deduct 80 per cent of the

actual cost of the railroad freight paid on their cattle from any one market to the slaughtering establishment but not more than 45 cents a live hundred-weight from any one market. This provision is designed to offset the flesh shrink in transit on cattle moved into the Eastern States for slaughter. Persons who take advantage of this pro-

vision to reduce their cost of cattle for the purpose of drove compliance must file with the Office of Price Administration a signed statement showing the railroad weight of the cattle purchased in each market on which this deduction is claimed, the amount of the railroad freight paid on the cattle, and the amount of the deduction.

ARGENTINE EXPORT TRADE IN 1944

By J. A. STRONG, *Commercial Attaché, Canadian Legation at Buenos Aires*

Argentina exported 1,734,047,000 pounds of meat in 1944, the bulk of which went to the United Kingdom. This represented an increase of 20 per cent above the 1943 figure and included 643,474,000 pounds of frozen beef, 238,340,000 pounds of lamb and mutton, 296,937,000 pounds of tinned meats and 320,071,000 pounds of pork.

level of that year. Farm products represented 82 per cent of all the commodities exported in 1944. Exports of textiles decreased from a value of \$65 million in 1943 to \$33 million in 1944, due largely to new restrictions on exports from Argentina.

There was a 43 per cent increase in the liveweight price paid to Argentine

Statistical Summary of Argentine Exports

	1939	1940	1941	1942	1943	1944
	Values in \$1,000					
Animal products—						
Meats	110,963	102,612	128,883	185,677	197,217	243,248
Hides	37,977	38,048	49,304	56,634	60,022	64,334
Wool	54,246	64,894	79,766	62,459	55,499	48,838
Dairy products	6,591	9,134	23,476	15,270	21,055	23,851
Other animal products	19,782	18,676	21,800	41,244	49,970	66,450
Total	229,559	233,365	303,229	361,284	383,763	446,721
Agricultural products—						
Grain	230,521	177,498	85,145	76,641	114,302	126,995
Mill products	8,573	5,912	2,167	2,738	3,952	9,968
Vegetable oils and seeds	6,312	5,841	13,439	38,624	32,025	41,454
Fruit	3,660	1,780	1,831	2,498	2,977	4,712
Other	6,589	7,835	13,060	8,366	12,278	15,584
Total	255,655	198,896	115,642	128,867	165,534	198,713
All farm products	485,214	432,261	418,871	490,151	549,297	645,434
Forest products	15,987	11,283	13,803	14,038	15,316	13,270
Mine products	6,285	7,099	10,842	10,844	14,164	8,779
Furs	1,821	2,025	4,611	3,480	8,077	3,196
Mfg. goods and sundries	15,083	23,309	40,079	77,806	141,380	113,613
Grand total	524,390	475,978	488,206	596,319	728,234	784,292

By way of comparison Canada supplied 874,000,000 pounds of meats, including 696,000,000 pounds of bacon, to the United Kingdom, in 1944.

Argentina exported \$645 million worth of farm products in 1944, including meats and other live-stock products valued at \$446 million. The local live-stock producers' income from this source last year was almost double that of 1939, whereas exports of other farm products were 28 per cent below the

producers for their export-grade steers as between the average for 1939 and the average paid in July, 1944.

Live-stock Purchase by Argentine Meat-packing Plants

	Cattle	Sheep	Hogs	
	Price Value	Price per Lb.	Price per Head	
	\$1,000	\$	\$	
1939	122,724	0.0366	2.86	0.060
1940	118,966	0.0391	3.33	0.049
1941	150,512	0.0411	3.43	0.051
1942	174,629	0.0520	3.96	0.060
1943	151,993	0.0514	3.91	0.062

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

COMMONWEALTH PLANS FOR INDUSTRIAL UNDERTAKINGS

The Commonwealth Government plans for the post-war industrial development include:—

1. The establishment of a bank for industrial development.
2. The formation of a company, Commonwealth Industries Limited, or a self-governing Committee, to act for the Commonwealth Government or Commonwealth Bank in the operation of government factories.
3. The formation of individual companies to operate single factories or groups of factories.

The Department of Post-war Reconstruction is formulating a general overall policy for the future ownership and operation of Government factories and annexes. Approval has already been given for a factory near Newcastle to be used for the weaving of artificial silks and silkcloths by Tapitex Pty. Ltd., while negotiations are proceeding for the use of other factories.

Following the completion of the public works policy for the transition period from war to peacetime economy will be the implementation of long-term developmental works, both by the states and by the Commonwealth in conjunction with the states, under the heading of national works. Construction of large electricity undertakings, transmission lines across state borders, and the establishment of large-scale water schemes for domestic and industrial purposes, as well as for irrigation, are included in such long-range planning.

Additional manpower of 30,400 has been allocated between July, 1944, and July, 1945, for government and private building operations, as it is considered necessary that the building industry should be functioning effectively before the end of the war to meet urgent housing and public works programs. A rapid expansion over the pre-war

field of activity is expected within the first two years after the cessation of hostilities.

Investigations are being carried on into the production of motor cars, heavy electric equipment, bicycles, diesel engines, cotton and synthetic piece-goods, woven textiles, industrial garments, etc., for meeting urgent requirements and with a view to the creation of an industrial economy capable of absorbing service personnel after demobilization.

The Secondary Industries Commission has recommended that government assistance from a specified fund should be extended to business interests developing new industries in Australia which are considered advantageous to the economy of the community.

Newfoundland

INDUSTRIALIZATION

For many years prior to the war the two principal industries in Newfoundland were fisheries, and pulp and paper manufacture. While there has been no large industrial development, aside from a considerable expansion in fish-freezing establishments, the number of small manufacturing concerns has shown an increase since the war started. No statistics of factory production are maintained but it is possible to give some idea of the variety of merchandise now being manufactured in Newfoundland.

While most of the plants are located in the St. John's area, there are a number of outports in the Conception Bay area, Clarenville, Grand Falls, Corner Brook and Curling, which have manufacturing plants as well. The list includes factories manufacturing furniture, building brick, leather footwear, beer and aerated waters, and clothing. There are four foundries, including two companies making nails and hardware; one paint, one cordage and net plant, one oiled-clothing plant, one tobacco and cigarette factory, one ice cream plant, one margarine plant, one soap plant, one trunk and suit-case

plant, three mattress plants, two broom-making plants, one woollen mill and one creosoting plant, and one road-dressing-material plant, one marine-engine plant, and many confectionery and bake shops. In addition there are numerous machine shops, making miscellaneous products.

With the exception of the paper companies, the mining operations and the fisheries, very little exporting can be done. With a domestic market of only 300,000, production costs tend to be high, and in most cases even the domestic market has to be partly supplied by imports.

EMPLOYMENT

Increased activity in the fisheries has compensated to a large extent, for a reduction in base construction. The demand for men in the woods remains constant, and the paper companies are still having difficulty meeting their requirements.

On the other hand, the longshoremen at St. John's are experiencing difficulty finding work for all the members of the union. The Longshoremens' Protective Union, with a membership of 3,000, state that whereas 1,500 men would have been employed on an ordinary day at this season in 1944, the number has now dwindled to as low as 400 on some days. Union rates for work are as follows: general cargo, 84 cents an hour; coal, 90 cents; general labour, 58 cents.

The immediate prospects may be described as satisfactory, although there is a tendency for general activity to taper off. The long-term outlook is less certain. The economic base of the country has not been broadened during the war years to the point where, if the stimulus of war production is removed, the general level of to-day's prosperity can be maintained.

AIR TRAFFIC

Trans-Canada Airlines have announced that in 1,187 flights to and from Newfoundland in 1944, 12,942 passengers and 85,344 pounds of mail were carried.

LUMBER UNDER IMPORT CONTROL

At the end of December, 1944, the Department of Supply, St. John's, announced that, as from January, 1945, the issue of essentiality certificates by the Department of Supply would be necessary before local importers could place orders in Canada for a wide range of lumber products. It is expected that the demand for imported lumber in Newfoundland in 1945 will be below that obtaining in the last three or four years, due to the virtual completion of defence projects.

New Zealand

TIMBER TRADE

New Zealand produced approximately 342,000,000 board feet of timber during the year ended March 31, 1943, according to statistics published last fall, writes C. B. Birkett, Acting Canadian Trade Commissioner at Auckland, and indications are that the figure for the twelve months to March 31, 1944, will be some 345,000,000 board feet. The serious manpower problem is slowly being overcome and it is fully expected that the cut in 1945 will total 350,000,000 board feet.

Of the production in 1942-43, the three timbers rimu, matai and totara as a group accounted for 230,000,000 board feet. *Pinus insignis* totalled 67,000,000 board feet, representing an increase of over 11,000,000 board feet on the previous year's cut.

Imports of timber during the calendar year 1943 amounted to 14,714,000 board feet. They were obtained principally from Australia, Canada and the United States. Statistics of imports for 1941, 1942 and 1943 are as follows:—

	1941 M. Bd. Ft.	1942 M. Bd. Ft.	1943 M. Bd. Ft.
Hardwoods	15,742	12,560	9,774
Sleepers	6,007	5,923	3,470
Various	8,947	6,637	6,304
Oak	788	Nil	Nil
Softwoods	3,650	1,151	4,903
Douglas fir	2,122	1,151	3,539
Redwood	1,528	Nil	1,364
Other	246	659	37
Total	19,638 Tons	13,370 Tons	14,714 Tons
Tanning bark ..	972	15	224
Woodpulp	7,930	2,040	2,707

As in previous years, New Zealand's requirements of hardwoods all came from Australia. Owing to the strict control of exports and the shortage of freight space to New Zealand, supplies from that source, however, have been limited to barest essentials.

All the Douglas fir came from Canada. By far the greater proportion of it was of merchantable grade suitable only for heavy construction work and ship repairs. The only other timber received from Canada comprised 70 bundles of cedar shingles. Requirements of Douglas fir clears have been far from satisfied, with the result that local industries have been obliged in many cases to accept inferior substitutes.

Receipts from the United States were made up almost entirely of redwood for use largely in building joinery.

Other importations from the United States were of sugar pine to the amount of 37,000 board feet. This timber is used almost exclusively for pattern making.

Exports of timber from New Zealand in the three years were: 1941, 19,066,000 board feet valued at £220,600; 1942, 7,548,000 board feet at £96,032; 1943, 4,539,400 board feet at £72,597.

The reduction in exports from over 7,000,000 board feet in 1942 to 4,500,000 board feet in 1943 is explained by much smaller shipments of rimu to Australia, the result of shipping shortages. Shipping conditions also accounted for a reduction in pine shipments to the Pacific Islands and Australia. An increase occurred in shipments of silver beech from 142,000 board feet in 1942 to 719,000 board feet in 1943. This timber was in exchange for Australian hardwoods.

MR. BUTLER TO VISIT BERMUDA

Mr. B. C. Butler, Canadian Trade Commissioner at New York, plans to visit Bermuda in April for the purpose of renewing contacts with importers, who have not been visited for five years.

Canadian exporters who wish to have any services performed for them in Bermuda should send particulars, prices, etc., to Mr. Butler, whose address in New York is: British Empire Building, Rockefeller Centre, 620 Fifth Avenue.

MAIL SERVICE TO FRANCE

Authority has recently been given to the Secretary of State of Canada for the transmission of food, toilet articles and drugs by mail to France in packages prepaid at letter rate of postage. The packages are restricted to gifts and *must not include* commercial shipments. They may be sent only by private citizens and not by relief organizations and others. A notice on the subject by the Post Office Department states that the total weight of a

package must not exceed 4 pounds, 6 ounces, and that the total value of the contents of a package must not exceed \$25, and points out that the contents are subject to any French regulations restricting the importation of certain commodities.

The Post Office Department also points out that the restrictions on business communications to those ascertaining facts and exchanging information have now been withdrawn.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

RESUMPTION OF TRADE WITH FRANCE

Under a notice issued on January 31, 1945, by the Secretary of State of Canada under and by virtue of the Revised Regulations Respecting Trading with the Enemy (1943), trade may be resumed with persons in the liberated European territories of France, Andorra and Monaco. The notice, however, is not to be deemed a general release of property vested in the Secretary of State as Custodian, and the permission thus given to trade applies only to transactions entered into after the date of this notice.

While the notice removes the legal restrictions which have been imposed by the Trading with the Enemy Regulations on trade with the territories named, it should be noted that there are difficulties in the way of actual resumption of trade arising from shortage of shipping and foreign exchange problems, which necessitate the retention of certain controls.

United Kingdom

RELAXATION OF MACHINE TOOL CONTROL

The Ministry of Supply announces that it has been decided to relax the present comprehensive control of machine tools and of measuring instruments and machines, writes Mr. C. G. Venus, Office of the Canadian Trade Commissioner in London. The new "selective control" will be applied only to scarce types and to the most vital requirements.

It is hoped that these arrangements will facilitate the re-equipment of engineering industries and reduce the administrative burdens on government and industry.

As from February 1, 1945, it will no longer be necessary for an acquirer to obtain a purchase certificate before placing an order for any metal-working machine tool coming within the scope of control.

The production and allocation of scarce types will be planned by placing

these types on a "nominative list", and orders for any of these machines will only be accepted by suppliers under the authority of "supply certificates".

It has also been decided that, as from February 1, new orders for new metal-working machine tools will not be subject to statutory price control. The Ministry state that the Government cannot disregard the trend of prices, and the power to reimpose price control is therefore being retained, but machine tools are moving out of the stage of desperate scarcity under which price control was necessary.

The abolition of licences for used machine tools will give users greater freedom to buy such government surplus machines as are not held in reserve for post-war uses.

The above relaxations follow the cash purchase by the United Kingdom Government of all machine tools still held in this country on lend-lease terms.

British India

PAYMENT FOR GOODS OF CANADIAN ORIGIN

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, writes that, according to a circular of December 8, 1944, from the Exchange Control Department of the Reserve Bank of India, payments for imports of Canadian origin into British India must in future be made in Canadian currency and may not be made in United States dollars, even though the import licence is available for goods of Canadian or United States origin. Payments for imports of Canadian origin may be made in Canadian dollars to a bank, person, or firm resident in Canada, or by transfer to a Canadian sterling authorized account, or in rupees to the account of a Canadian bank. In cases where payment has to be made to an American shipper for Canadian goods, payment should be made in Canadian dollars to a bank in Canada for the account of the United States shipper.

In certain cases where goods of Canadian origin which have been pre-

viously purchased outright by American shippers and form part of their general stocks are supplied to India, payment may be allowed in United States dollars, with the prior sanction of the Reserve Bank of India. Such sanction will only be given provided the goods are consigned from the United States and reasonable evidence is produced to show that they form part of the stocks held by the American supplier which have been purchased prior to the order being placed by the Indian buyers.

Cyprus

DUTY REMOVED FROM OIL-BURNING APPLIANCES

Mr. Richard Grew, Canadian Trade Commissioner in Cairo, reports that, by Order in Council published in the Cyprus *Gazette* of November 30, 1944, oil-burning cooking stoves, oil-burning heating stoves, oil burners for geysers, and parts thereof, are admissible into Cyprus free of import duty.

New Zealand

IMPORT LICENCES

The office of the High Commissioner for New Zealand in Ottawa advises that, according to information received from the Minister of Finance for New Zealand, it has been decided to substitute 1945 import licences for eighth-period (1944) licences in respect of goods for which firm orders were placed overseas prior to November 1, 1944, and which do not arrive in New Zealand by June 30, 1945.

South Africa

SWEETENED CONDENSED MILK NOW DUTY-FREE

Mr. H. L. Brown, Canadian Trade Commissioner in Johannesburg, reports that the Union of South Africa duty of 15 shillings per 100 pounds on sweetened condensed milk was suspended from January 19, 1945, until further notice. The duty on unsweetened condensed milk remains unchanged at 12 shillings 6 pence per 100 pounds. The rates quoted apply to imports from all countries.

Trinidad

IMPORT CONTROL REQUIREMENTS FOR NON-FOODSTUFFS

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, writes that import licences for non-foodstuffs expiring on December 31, 1944, covering goods which do not require export permits from Canada, may be extended to March 31, 1945, on assurance being received from the exporter that the goods will arrive in the Colony within the extended period. Where it is indicated, however, that the goods will arrive later than March 31, the import licence may still be renewed but in this case the goods received will be credited to the importer's quota for 1945.

Import licences expiring on December 31, 1944, covering goods which do require export permits from Canada, will be renewed for the period covered by valid 1944 export permits, plus one month to allow the goods to arrive in the Colony.

Venezuela

TARIFF ON WRAPPING PAPER

Mr. M. T. Stewart, Canadian Trade Commissioner at Bogota, Colombia, writes that a resolution of the Venezuelan Ministry of Finance, published on December 29, 1944, adds new items to the tariff of Venezuela for certain kinds of packing and wrapping-paper not previously mentioned therein. New Item 244C covers "kraft paper in spools of 32 to 79 centimetres width and of a weight exceeding 70 grams per square metre", on which the rate is 0·40 bolivar per kilogram (about 6 cents per pound) gross weight. New Item 244D specifies "waterproofed paper (transparent, opaque or coloured)", dutiable at 0·28 bolivar per kilogram (about 4·2 cents per pound). The latter item includes papers such as glassine, greaseproof, waterproof "Cellophane", paper treated with paraffin, waxed paper, and varnished paper. Item 258M, covering "grease-proof paper for fatty products of national origin", has been deleted.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 12, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 12, 1945, and for the week ending Monday, February 5, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 5	Nominal Quotations in Montreal Week ending Feb. 12	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.866 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2747	.3304 .2747	3½ —
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	— —
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½ —
Colombia	Peso	.9733	.6343	.6343	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	— —
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½ —

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

Argentina

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Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

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Colombia

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

	Page		Page
Financial Notes on France.....	157	Regulations for Export Shipments from Canada	172
United Kingdom Hay Crop Conditions	160	Canada's Domestic Exports in January	173
Revival of United Kingdom Fur Trade	161	Index to the Commercial Intelligence Journal	175
Canadian Export Commodities and Industries		Imports into the United States of Products under the Quota Provisions of the Trade Agreement.....	176
18. Alcoholic Beverages	161	Mail Service to Greece and Bulgaria	176
Market for Wooden Crates and Card-board Containers in the British West Indies (Eastern Group) and British Guiana	168	Trade Regulations and Tariff Changes	177
Post-war Plans of the Chilean State Railways	169	Exchange Conditions in Brazil.....	177
Economic, Trade and Production Notes	170	Foreign Exchange Quotations	178
		Commercial Intelligence Service	179

FINANCIAL NOTES ON FRANCE

By YVES LAMONTAGNE, *Commercial Secretary, Canadian Embassy at Paris*

As a result of the combination of two factors, the scarcity of commodities of all kinds and the considerable increase in bank-note circulation since the outbreak of the war, France is in the throes of a severe inflation of prices. The black market thrives in spite of all efforts to check it.

Cost of Living

A recent bulletin issued by the British Chamber of Commerce in Paris contains the following note on living conditions in the French capital: "Rooms in the Paris area are extremely difficult to find and are expensive—from 100 francs a day for poor accommodation to 400 francs or more a day in the few good-class hotels not already requisitioned by the Allied military or

other authorities. Unfurnished houses or flats are practically unobtainable; so is furniture except at extremely high prices. No official figures are available as regards the cost of living, and estimates are liable to be misleading. The fact is there are two scales of prices for almost everything—the official and the black market. The controlled prices for food and clothing may be put at from three to five times the 1939 figures, while black market prices are at least ten times higher. Almost everything can be obtained in the black market: coffee at Frs. 1,200; tea, at Frs. 5,000; butter at from Frs. 500 to 800; meat at Frs. 300; sugar at Frs. 160. (These prices are per kilogram of 2.2046 lb.; the fixed rate of exchange is Frs. 50 per United States

dollar). A man's suit costs from Frs.10,000 to 20,000; an overcoat, Frs.15,000; leather-soled shoes, Frs.3,000 upwards; coal, Frs.8,000 per ton; a pre-war quality meal, Frs.300 to 1,000; cigarettes, Frs.100 for 20, and so on".

Liberation Loan

On November 4, 1944, it was announced that the Government had decided to call for a substantial perpetual 3 per cent loan of an unspecified amount, issued at par, the subscriptions to be paid in cash and Treasury bonds. The purpose of the loan, it was declared, was not to cover immediate needs, as tax receipts and bond subscriptions were held to be satisfactory, but primarily as the beginning of an operation designed to improve the monetary situation by withdrawing from circulation a part of the mass of notes issued during the occupation under enemy pressure. The loan was thus meant to effect a consolidation of part of the floating debt and to reduce bank-note circulation. It was hinted that future government action would depend on the success of the loan which, if it failed in its object, might lead to more drastic measures.

The borrowings of the French Government to meet occupation costs were largely short term. From the outbreak of the war to April, 1944, the internal national debt rose from 445·7 billion francs to 1,417 billion francs, the consolidated debt rising from 303 million to 420·9 million francs and the floating debt increasing from 142·7 billion to 996·1 billion francs. Short-term paper thus increased by 853·4 billion francs. The bank-note circulation, which amounted to 149 billion francs at the end of 1939, rose to a maximum of 640 billions on October 5, 1944.

It was hoped that the Liberation Loan would total at least 100 billion francs. The final results, as given out at the beginning of 1945, gave a total of 164·4 billion francs, of which 127·2 billions, or 77·4 per cent, were in cash and 37·2 billions, or 22·6 per cent, in consolidated bonds. The new money included 73 billion francs in Bank of

France notes and 54·2 billion francs drawn on bank accounts. The banks subscribed 115·1 billion francs and the public 24·7 billion francs.

Note Circulation, Savings and Bond Interest Rates

According to the Bank of France statement of December 28, 1944, the first to appear after an interval of about six months, bank-note circulation totalled 572·5 billion francs as compared with 584·8 billions on July 13, 1944. Provisional advances to the French Government dropped from 70·8 billion francs on July 13 to 15·8 billions on December 28, as a result of the Liberation Loan, the Government having repaid 72 billion francs to the Bank of France.

At the end of 1944 savings deposits in the banks totalled 165 billion francs as compared with 120 billions at the end of 1943 and 69 billions in December, 1940.

As from January 22, 1945, the annual rates of interest on one- and two-year Treasury bonds will be reduced to 1·75 and 2 per cent respectively, while on 75- to 105-day bills the rate will be 1·5 per cent. The issue of six-month Treasury bonds is suspended, while the issue of four-year savings bonds is stopped.

The Government has decided to convert the 1917 and 1918 four-per cent and the 1932 four-and-a-half-per cent government bonds into three-per cent bonds issued at par and amortizable in sixty years. This measure affects bonds representing a total of 107 billion francs and will result in an annual saving of about 1,500 million francs. Small holders are to be protected by special measures so that they will not suffer from a decrease in revenue.

Control of Holdings in France and Abroad

The *Journal Officiel* of January 19, 1945, publishes three orders relating (a) to foreign holdings in France, (b) the census of holdings abroad, (c) the census of gold, foreign exchange and movable property held in France.

The first order is intended to fill certain gaps in the control of foreign exchange, since the measures enforced at the outbreak of the war still left the door open to certain operations which would result in the export of capital, and moreover, in order to prevent trade with the enemy, it is necessary to control closely operations in France by persons residing in neutral countries in order to prevent the enemy from reaping advantages from such operations.

As regards the second order, it is explained that, in order that France may be in a position to import all that is necessary for reconstruction and to increase economic activity, France must be able to mobilize, in case of need, the largest part of its means of payment abroad in gold, currency, property, etc., and that a census is necessary for this purpose. Both nationals and foreigners residing in France are effected; the former on a compulsory, the latter on a voluntary basis.

The third order obliges persons usually residing in France to declare to the exchange control authorities all their gold holdings as on December 31, 1944, with the exception of those which were deposited in their names at the banks, exchange brokers, stock brokers and similar intermediaries in France, as well as personal jewellery. The intermediaries referred to must also submit reports to the exchange control authorities.

The Budget

During the four years of occupation the public debt of France increased by about 1,000 billion francs, or at the rate of about 250 billion francs a year. Credits under the budget for the first quarter of 1945, which have been calculated on the basis of one-quarter of the yearly requirements, call for a total of 101·4 billion francs. Unless production can be considerably stepped up as the year progresses, and a good deal depends on increased transportation facilities, the budget deficit this year is likely to exceed the average annual deficit since the war began.

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The greater part of the 100-billion-francs expenditure from January 1 to March 30, 1945, will be for war purposes. The amounts earmarked for the armed forces total 43 billion francs. The bulk of the remainder, although mainly for civilian purposes, is either to be spent on reconstruction necessary for the further prosecution of the war, or for the urgent relief of the population in the distressed areas.

A credit of 30 million francs is to be spent by the Ministry of Agriculture for the removal of mines in country areas; the Public Health budget will be devoted to relief measures affecting the soldiers, political prisoners and workers at present in Germany, whose number is about 3,000,000, and 1,727 million francs is to be spent on shelters which must be provided for their return. The budget of the Ministry of Education is mainly for the rebuilding of schools destroyed or damaged by bombs or shells. Expenditures on the clearing of devastated towns will total 300 million francs, while 28 millions will be spent on the reconstruction of destroyed towns and villages. Public Works and Transport expenditures include 772 million francs for the re-equipment of the main transport lines, 509 million francs for roads, bridges, canals and ports, and 25 millions for the raising of sunken ships.

The principal expenditures (in millions of francs) are as follows: National Defence, 43,257, including war, 30,850; air, 6,817; navy, 4,677; colonies, 913. Other services, by ministries: Finance, 24,615; Prisoners of War and Deportees, 9,949; Public Health, 5,162; Education, 4,599; Interior, 3,918; Labour, 2,702; Public Works, 2,237; Agriculture, 1,324; Industrial Production, 687; Food Supplies, 667; Reconstruction, 581; National Economy, 351; Justice, 349; Foreign Affairs, 223; Information, 193; Colonies, 147.

Note.—Under a financial agreement concluded between the French Committee of National Liberation and the British Government on February 8, 1944, the rate of exchange of the French franc was fixed at 200 francs to the pound sterling and 50 francs to the U.S. dollar.

UNITED KINGDOM HAY CROP CONDITIONS

By A. E. BRYAN, *Canadian Trade Commissioner at Liverpool*

In 1944 the best hay-producing counties in the United Kingdom were Yorkshire and Durham, which perhaps experienced a heavier yield than usual, but, taking the country as a whole, last season's crop was very disappointing, and a number of inquiries have been received from the trade concerning the possibilities of obtaining hay from Canada. However, in view of the amount of shipping space that would be required to make any appreciable difference in the hay supply position here, the British authorities are not encouraging any importations of hay from Canada, as they confidently expect that, despite the existing shortage, there will be sufficient hay within the country to meet all essential requirements until next season's crop becomes available.

In December last the Department of Agriculture reported that the total area devoted to hay, excluding rough grazings, in 1944 amounted to 31,068,000 acres, while the estimated hay crop was 5,635,000 tons, which is 1,038,000 tons less than in 1943.

Unfavourable Crop Conditions

Late frosts in April and the beginning of May, followed by a bad drought, delayed the growth of hay and second-year seed mixtures, more especially in the South of England below a line drawn from the Bristol Channel to the Humber Estuary. Under normal conditions this area supplies hay to other parts of the country, but the crop was so poor last season that it is now necessary to bring hay from Scotland and North Lincolnshire to satisfy its local needs.

The counties in this area that have experienced poor crops have been affected mainly because of the existence of chalk subsoil, which brings about unusual conditions. For instance, parts of Sussex and Hampshire are practically without hay, while other parts of the same counties have a

moderate supply. The counties north of a line drawn between the Bristol Channel and the Humber Estuary have had a normal crop, due to the fact that, with the previous wet winter, there was a moderate amount of sub-soil moisture, and again the more temperate weather in May and June did not scorch the crops as it did in the south.

The general position with respect to hay is complicated by the fact that so much extra land has been ploughed up for cereal production that any reduction in the crop is keenly felt. The supply and demand position throughout the country is serious enough to preclude much carryover of hay to 1945-46 and, therefore, the effect of the present shortage is likely to extend through until the 1946 crop is available.

The second crop in the south last season fared almost as badly as the first, but some farmers were content to take a late first crop and, as a result, they were able to make their supplies meet their demands. There is one good feature in the failure of the hay crop, it has opened a market for straw, which for some years has been unwanted, but now straw is almost as difficult to obtain as hay.

Prices

Unthreshed home-grown meadow hay or threshed home-grown timothy hay now sells at the controlled price of £7 10s. in stack or loose, or in bales at £8 9s. per long ton. If Canadian hay were imported, it would necessitate a change in the controlled price of imported hay, which now stands at 122s. per ton. On account of its bulk, the cost of bringing hay from Canada at present would be considerable, as there is no doubt that the c.i.f. prie of imported Canadian hay would exceed the ex-farm price of home-grown hay. As the price of home-grown hay is considered to be fully adequate, it would

complicate the price structure considerably to raise the price of imported hay to a level which would permit of the importation of Canadian hay. Undoubtedly the local growers would im-

mediately press for an increase in the price of home-grown hay.

Under the circumstances there is no possibility of importers being granted import permits at the present time.

REVIVAL OF UNITED KINGDOM FUR TRADE

By C. G. VENUS, *Office of the Canadian Trade Commissioner at London*

Before the war London was a world fur-trading centre and the most important overseas market for Canadian raw furs. During wartime the trade has been practically dormant.

The Board of Trade now announces preliminary steps designed "primarily to provide the fur trade with the necessary basis in the home market for reviving and developing London's position after the war as a world fur centre."

These facilities are two-fold: (1) to permit the manufacture of utility fur apparel; and (2) to reduce the rate of purchase tax applicable to these utility types.

Specifications of Furs

Three classes of fur skins will be prescribed for the utility garments:—

(A) Sheepskins, dressed, in their natural colour with the pelt finished as leather.

(B) Unshorn, dressed and dyed rabbitskins; this class excludes undyed wild rabbitskins and it also excludes undyed tame rabbitskins, e.g. chinchilla, which come under Class C.

(C) A short list of relatively inexpensive skins, of which there are stocks available not salable for export. These comprise: antelope; fox, red (Austra-

lian, Asiatic and English); fox, kitt; kid (furriers); lamb (Indian, Jumbo, Merluska, Salzfelle and Slink); hair seal; jackal, dingo; mole; rabbit (excluding wild undyed and those specified in Class B); hare, sheep (excluding those specified in Class A); fitch (British); genet; opossum (American and ringtail); wallaby.

The fur skins used in the utility garments must be skins not previously used in the manufacture of any goods. It is proposed that the manufacture of utility fur apparel shall be confined to registered manufacturers.

Quality

In order to maintain the quality of utility fur garments, the Board of Trade proposes taking powers to remove from the register any manufacturer who supplies inferior goods. In considering such action, the Board will be assisted by the advice of an appropriate committee of the fur trade.

Canadian fur exporters will note that the permitted varieties of furs are all of the type obtainable either in the United Kingdom or other parts of the sterling area. The proposals are to that extent tentative and limited in scope. Nevertheless it is important revive the industry.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

18. ALCOHOLIC BEVERAGES

By L. J. BEEHLER, *Social Analysis Branch, Dominion Bureau of Statistics*

The use of alcoholic beverages goes back almost to the beginning of civilization. Man early discovered, probably by accident, the pleasant taste of the fermented juice of the grape, which, according to tradition, first grew in Asia and thence spread throughout all

the lands of ancient civilization. The importance of wine to the Ancients is shown in its dedication to special deities—the god Osiris of the Egyptians, Dionysus of the Greeks, Bacchus of the Romans. In Genesis (IX, 20-21) we read "And Noah began to be a

husbandman, and he planted a vine-yard, and he drank of the wine and was drunken...."

The origin of beer, too, is lost in antiquity. Ancient Babylonian records depict the brewing of beer from cereals and indicate its use as a household beverage. The Code of Hammurabi (c. 2100 B.C.) contains decrees regulating the activities of tavern keepers. The ancient Egyptians claimed that they were taught the art of beer-making by the god Osiris himself. According to the historian Tacitus (c. 55-120 A.D.) beer was the ordinary drink of the Roman soldiers, who doubtless carried it to Gaul, Britain and other conquered lands. It was the favourite drink of the Teutons who, on the downfall of the Roman Empire, overran Europe. In the early Middle Ages the arts of brewing and wine-making were kept alive in the monasteries, later being organized in the familiar guild pattern of the period.

The distillation of liquids was also known to the ancient Chinese, Hindus and other Eastern races. Arrack, a strong spirit distilled from the fermented juice of the palm tree, was made in India as early as 800 B.C. In the West spirits were not produced until the Middle Ages. The monks distilled crude spirits which were used at first almost exclusively as medicine, the more refined product later coming into beverage use.

Whisky was in use in Ireland and probably in Scotland in the late 12th century. The name is of Celtic origin, being a corruption of the Gaelic "uisge-beatha" (water of life). Brandy from the French "brandevin"¹ (burnt wine) was made in France in the 13th century and established as a manufacturing industry in the 14th. The English distilling industry was firmly established during the Tudor period, partly because the dissolution of the monasteries by Henry VIII (1491-1547) resulted in many of the disestablished monks setting up in business as distillers and brewers. Geneva or gin from jenever

or genièvre, the Dutch and French equivalents for juniper, whence its characteristic flavour is derived, was first made in Holland early in the 18th century. A slightly different method, developed in England, produced the English dry gin.

Important in Ancient and Modern Commerce

As early as 800 B.C. the export of wine formed an important part of the foreign trade of many of the Greek cities. Under the Roman Empire Italian wines were sent to all parts of the then known world and the native wines of Egypt, Greece, Africa, Spain and southern France were imported.

In the Middle Ages the wine trade almost disappeared but by the 14th century it had again reached significant proportions. The trade in beer and wine accounted for a large part of the commerce of the Hansa towns; Hamburg's prosperity was largely built on beer. Some historians attribute the beginnings of the English mercantile marine to the wine trade.

The growth of national states in the 15th and 16th centuries was accompanied by a great expansion of the liquor traffic. Italian, French and Spanish wines, Holland gin, German beer and English ale, beer and whisky were extremely important articles of commerce. With the establishment of the colonial empires of Portugal, Spain, Holland, France and England, new markets developed but the trade in spirits, given in exchange for furs and other native products, produced such devastating effects upon native populations that restriction of the traffic became necessary.

Governments early discovered that the taxation of alcoholic beverages was an easy means of raising revenue. Discriminatory duties were used, too, to favour certain groups and as weapons in the struggle for commercial supremacy. Thus 18th century England admitted wines from Portugal at low rates, that country being a good market for English cloth, but imposed prohibitive duties on the wines of France, its chief commercial rival.

¹ The term "brandevin" was later applied to any spirit obtained by distillation.

The trend in world consumption of alcoholic beverages, especially spirits, has been downward in the present century, more particularly since World War I. Nevertheless, the desire of many men for "the cup that clears today of past regrets and future fears" would seem to ensure the continued importance of alcoholic beverages in trade and commerce. It is with the latter in its purely economic aspects that this article is concerned.

Present-Day Alcoholic Beverages

Largely because of tradition and habit, national tastes in alcoholic beverages vary greatly. The Russian prefers vodka, the Japanese, sake. Italians and French drink much wine but the latter drink more distilled liquor and beer than do the former. Germans, Norwegians and Danes favour beer but drink considerable distilled liquor and but little wine; Englishmen, Americans and Canadians have much the same tastes and prejudices. Differences in the quality of materials, in the varying proportions in which they are employed, and in production processes result in an infinite number of varieties, flavours and aromas which distinguish the products of different distillers, brewers and wine manufacturers, even in the same country, and make each particular brand preferred by its votaries.

The characteristic component of all alcoholic beverages is ethyl alcohol (C_2H_5OH), which is produced by the fermentation of liquids containing sugar. Fruit juices, grains, molasses, honey, potatoes, etc., practically anything that contains sugar, can be converted to alcohol. When starchy grains, etc., are used, a preliminary step is the conversion of the starch to sugar. This is accomplished by the action of a diastatic ferment such as that present in malted grain. In the manufacture of spirits the next step is the separation by distillation of the alcohol and, incidentally, other volatile substances from solid matter which may be present either in suspension or in solution.

The distillation of fermented liquids produces the concentrated alcoholic liquors used in industry, medicine, pharmacy, etc., as well as beverage spirits. In the latter alcohol is always the main ingredient but the origin and method of production result in the varying flavour and aroma which distinguish the different varieties and influence their commercial value.

WHISKY

Of the beverage spirits, whisky is the most universally popular. It is made by distilling a mash of fermented grains—barley, rye, corn, wheat, or mixtures of these. As it comes from the still the liquor is raw and colourless but it is stored in wooden casks for maturing, in the course of which marked changes occur due to a slow oxidation of the alcohol, to changes in the secondary ingredients (esters, fatty acids, volatile bases, etc.), and to the extraction of colouring matter from the wood. The nature of these changes is not fully understood, but they depend in some manner upon the type of cask, its ventilation, and conditions existing at the place of storage, as well as upon the character of the original spirit. No substitute for proper aging has been discovered.

While most distilled liquors and some wines can be made by combining ethyl alcohol, oils and certain flavourings, the traditional products made from centuries' old recipes are still unequalled. The peculiar smoky flavour of Scotch whisky is due to its distillation in old-fashioned pot stills from malt dried over open fires. Canada specializes in the manufacture of rye whisky but produces small quantities of whisky of the Scotch and Irish types. Many whiskies are blended from the products of several distilleries.

BRANDY, GIN AND RUM

Brandy, distilled from grape wine, is clear, but when matured in wooden casks acquires a yellow tint which may be deepened by burnt sugar and other colouring matter. The most famous

brandy is cognac, which is distilled from the white wine of Charente. Canadian brandy is defined in the Excise Act as a spirit distilled exclusively from the juices of native fruits without the addition of sugar or other saccharine matter and of specified alcoholic strength.

English gin is distilled from a fermented mash of maize, malt and rye, then re-distilled several times with juniper and coriander to become the dry gin of commerce. Geneva was extensively manufactured in Holland by distilling a mash of rye and malted barley in pot stills with juniper berries. Both Geneva and dry-type gin are manufactured in Canada.

Rum, distilled from fermented products of the sugar cane, is produced chiefly in the West Indies. It is divided into two main classes "Jamaica" and "Demerara". Liqueurs are spirituous liquor flavoured with various aromatic substances and usually sweetened. They are generally made by steeping the flavouring matter in the spirit and afterwards distilling.

BEER

Malt liquors² are undistilled fermented liquors manufactured from grain (chiefly malted barley), hops and water. As compared with distilled liquors their alcoholic content is relatively small. There are, broadly speaking, two main types of brewing, top and bottom fermentation; the former producing ale, porter and stout, and the latter, lager beer.

Ale is brewed from lightly dried malt and contains considerable unfermented saccharine matter, dextrines, proteins, etc. The essential difference between pale, light bitter and mild ales lies in the flavour and colour, which depend particularly on the type of malt and quantity of hops used in brewing them. Porter is dark brown in colour due to the addition of roasted malt. Stout is a variety of porter of slightly higher alcoholic content. Lager beer is a

strong well-fermented liquor, less saccharine and slightly less alcoholic than ordinary ale. Canadian malt, it may be noted, is of superior quality and considerable quantities are normally exported.

WINES

The different varieties of wine are very numerous. They range in colour from white to dark red. Some are a little dry or a little sweet, others excessively dry or excessively sweet, with all gradations in between. Some wines are still and some sparkling. Some require but little aging, others are not at their best until ten, twenty or even fifty years old.

Production in Canada

The alcoholic beverages industry occupies a relatively small part in Canada's industrial life. The investment in distilleries, breweries and wineries is only about 2 per cent of the total capital value of all manufacturing establishments, while the number of persons employed is less than 1 per cent of all employees in manufacturing, and the value of production slightly over 1 per cent of all manufacturing production. In the calendar year 1943 there were 16 distilleries, 61 breweries, and 30 wineries. In the above order, employees numbered 2,742, 6,613 and 630, and the inventory value of production was \$34 millions, \$70 millions, and \$5 millions.

In connection with the distilleries it should be noted that they produce not only beverage spirits but industrial alcohol. In the calendar year 1942 manufactures of the former totalled 9 million proof gallons as compared with 9.8 million proof gallons of the latter. The profound effect of the war on the distilling industry is illustrated by corresponding figures for 1943, when production of beverage spirits totalled 2.7 million proof gallons and industrial alcohol 20.3 million proof gallons.

Of the distilled beverage liquor manufactured in Canada, whisky of the rye type predominates. Normally it comprised about 75 per cent, Scotch-

²"Beer" is commonly used as a general term for any malt liquor.

type whisky about 10 per cent and gin about 5 per cent of all beverage spirits produced.

Practically the whole production of spirits is placed in bonded warehouses; whence it is released either for domestic consumption upon payment of excise duty, or for export. Beverage spirits remain until properly matured, the time varying with different types and the desired standard of excellence. (According to the Canadian excise law whisky must be aged at least two years, gin but six months.) Unlike most commodities, therefore, the production of spirits is little influenced by immediate demand and the production for any period bears small relation to domestic consumption or export in the same period.

Malt liquors require less aging than spirits and only a small part of the output is placed in warehouses. However, the breweries are closely supervised by Excise officers; hence, production records are available over a long period.

Canada's wine industry is concentrated largely in the Niagara Peninsula, which accounts for over 85 per cent of the total production. British Columbia contributes about 10 per cent.

Table I shows the production of spirits, beer and wine in Canada since 1900³ by five-year averages and by years from 1940 to 1944 inclusive.

TABLE I

*Production of Alcoholic Beverages
in Canada*

5-year average—

Fiscal Years	Spirits '000 Pf. Gal.	Beer '000 Gal.	Wine ⁴ '000 Gal.
1900-04	3,657	25,826	....
1905-09	5,968	33,241	....
1910-14	5,838	47,241	....
1915-19	4,744	35,508	....
1920-24	3,968	38,541	739
1925-29	10,051	55,366	3,472
1930-34	8,791	51,281	3,382
1935-39	7,888	60,047	3,129
1940-44	18,179	91,925	....

³ Unless otherwise stated all figures refer to fiscal years ended March 31.

⁴ Calendar years.

Fiscal Year	Spirits '000 Pf. Gal.	Beer '000 Gal.	Wine ⁴ '000 Gal.
1940	11,821	66,496	5,153
1941	14,642	79,006	4,841
1942	17,569	101,082	4,352
1943	19,658	108,981	....
1944	27,203	104,062	....

The production of spirits in the last few years was greatly stimulated by war needs, especially the use of alcohol in the production of munitions and synthetic rubber. It may be noted here that, in addition to the beverage spirits shown in Table IV, Canada exported 14,722,000 proof gallons of non-potable spirits in 1944 as compared with 669,000 proof gallons in 1943. Over 90 per cent of this went to the United States.

Domestic Consumption

In the immediate pre-war years there was consumed in Canada annually in the neighbourhood of one-third proof gallon of spirits, 6 gallons of beer and one-third gallon of wine per head of the population. As compared with these figures, consumption per head in the United States is about three times as high for spirits, twice as high for beer, and slightly higher for wine. In the United Kingdom consumption is slightly lower for spirits, more than three times as high for beer, and about the same for wine. Since 1920 there has been a considerable increase in the consumption of beer and wine in Canada, while the consumption of spirits has fluctuated within narrow limits. The consumption of all three increased in the early war years.

It is difficult to obtain accurate figures of beverage consumption, and still more of per capita consumption. For instance, liquor imported in one year may not enter into consumption until several years later. Moreover, Canadians alone do not consume all beverages consumed within Canada; tourists and other visitors, who number several millions annually, consume a part of them. The foregoing per capita figures, therefore, are not strictly accurate, although they afford some indication of the average consumption by Canadians. Of the spirituous bever-

ages consumed in Canada, rye whisky is the favourite, followed by gin, brandy and rum. Small quantities of liqueurs are consumed.

Table II shows the trend of alcoholic beverage consumption in Canada since 1920 according to estimates prepared in the Dominion Bureau of Statistics.

TABLE II

*Consumption of Alcoholic Beverages
in Canada*

5-Year Average—

Fiscal Years	Spirits '000 Pf. Gal.	Beer '000 Gal.	Wine '000 Gal.
1920-24	3,487	37,303	1,139
1925-29	2,561	51,660	2,544
1930-34	2,458	50,926	4,013
1935-39	2,667	60,031	3,419
1940-44	4,011	84,549	4,243
Year			
1940	3,818	66,290	4,013
1941	3,715	78,629	4,813
1942	4,348	89,505	4,167
1943	4,730	97,610	4,627
1944	3,444	90,710	3,594

Imports

In 1900 imports of alcoholic beverages were valued at \$1·9 millions, or 1 per cent of all imports. In 1929 they reached the high level of \$48·8 millions, or 3·9 per cent of the total. In the immediate pre-war years imports averaged about \$7 millions, or 1 per cent of all imports, while in 1944 they were \$4·8 millions, or only 0·3 per

cent of all imports. A small proportion of the imported beverages, especially spirits and wines, is re-exported.

The United Kingdom is the most important source of Canada's imports of alcoholic beverages, normally supplying about 75 per cent of the total. Before the war France supplied approximately 10 per cent and the United States, Australia, Spain, British South Africa, British Guiana and Portugal substantially smaller amounts.

Distilled liquors comprise over 85 per cent of all alcoholic beverages imported into Canada. Part is used for Canadian consumption and part for blending with domestic products. The United Kingdom supplies practically all the whisky, which makes up about three-quarters of all distilled liquors and some two-thirds of all alcoholic beverages imported. About 10 per cent of the pre-war imports of distilled liquor consisted of brandy.

Practically all imports of brandy formerly came from France but in the five years before the war imports of Australian and South African brandies increased steadily, forming in 1939 more than 28 per cent of the total. After the occupation of France, these two countries supplied practically all Canada's imported brandy.

Rum comprised around 13 per cent of distilled liquor imports in the immediate pre-war years, with the United

TABLE III

Imports into Canada of Alcoholic Beverages

Fiscal Years 5-Year Average	Spirits '000 Pf. Gal.	Beer \$ '000	Beer '000 Gal.	Beer \$ '000	Wine '000 Gal.	Wine \$ '000
1900-04	1,463	1,496	447	225	516	564
1905-09	1,843	2,155	827	462	593	704
1910-14	3,059	4,179	1,544	978	926	1,399
1915-19	1,700	3,162	340	236	537	606
1920-24	1,748	12,600 ⁵	66	135	559	1,492
1925-29	1,828	13,300 ⁵	175	351	931	2,274
1930-34	1,462	7,000 ⁵	177	365	883	1,877
1935-39	1,076	5,100 ⁵	97	167	496	1,005
1940-44	1,318	5,298	85	118	426	743
Year—						
1940	1,613	5,551	93	125	468	836
1941	1,480	5,488	98	137	502	881
1942	1,390	5,326	86	116	435	734
1943	1,284	5,908	85	120	435	730
1944	823	4,214	62	94	291	535

⁵ Adjusted for over-valuation of spirits, years 1921-35, due to the inclusion of excise duty in the value of distilled spirits imported from countries entitled to the British Preferential Tariff.

Kingdom the most important source of supply, followed by British Guiana and Jamaica. The proportion of rum imported direct from the last-named countries was increasing in pre-war years and has increased substantially since. Gin normally comprises about 5 per cent of distilled liquor imports. By 1943, however, the proportion had declined to 2·5 per cent. The United Kingdom normally supplies around 90 per cent of gin imports, and the Netherlands and Belgium most of the remainder. Cordials and liqueurs, which are imported in small quantities, came mostly from France with the United Kingdom the next largest supplier.

Non-sparkling wines comprise about 85 per cent of all wine imports. Close to 50 per cent was normally supplied

by France and Spain and most of the remainder by Australia, the United Kingdom, Portugal and Italy. Before the war France supplied around 99 per cent of the imports of champagne and other sparkling wines; in 1943 practically all came from Australia and British South Africa.

Exports

Canada's exports of alcoholic beverages in 1900 were less than \$500,000, or only 0·2 per cent of all exports. In 1929 they were \$30 millions, making up 2 per cent of total exports. In the five years 1935-39 they averaged \$16 millions, or 1·7 per cent of all exports. They increased from \$8 millions in 1940 to \$19 millions in 1943 and declined slightly in 1944.

TABLE IV

Exports of Canadian-made Alcoholic Beverages, 1900-44

Fiscal Years 5-Year Average	Spirits '000 Gal.	\$ '000	Beer '000 Gal.	\$ '000	Wine '000 Gal.	\$ '000
1900-04	199	471	6	4	3	4
1905-09	440	1,016	5	3	5	4
1910-14	331	1,011	4	2	8	8
1915-19	689	1,581	117	73	5	8
1920-24	919	4,050	1,235	2,022	3	8
	'000 Pf. Gal.					
1925-29	1,684	18,526	3,823	5,316	27	93
1930-34	2,315	16,568	443	567	18	56
1935-39	3,462	15,961	103	105	7	19
1940-44	2,393	10,767	3,707	3,452	13	23
Year—						
1940	1,704	8,192	193	187	2	5
1941	3,464	8,921	257	233	6	9
1942	2,079	10,468	5,640	5,313	5	11
1943	2,537	13,872	5,840	5,296	7	15
1944	2,183	12,382	6,605	6,231	42	75

Canadian Re-Exports of Imported Alcoholic Beverages, 1900-44

Fiscal Years 5-Year Average	Spirits '000 Gal.	\$ '000	Beer '000 Gal.	\$ '000	Wine '000 Gal.	\$ '000
1900-04	39	71	6	6	5	23
1905-09	43	72	7	5	4	13
1910-14	21	31	5	5	5	13
1915-19	45	147	9	6	8	45
1920-24	35	733	1	3	2	20
1925-29	134	2,786	....	1	70	1,145
	'000 Pf. Gal.					
1930-34	29	854	1	3	35	494
1935-39 .....	....	2	....	....	....	3
1940-44	1	2	....	....	2	13
Year—						
1940 .....	....	1	....	....	....	1
1941 .....	....	....	....	....	....	....
1942	3	9	....	....	1	6
1943 .....	....	1	....	....	....	....
1944 .....	....	....	....	....	11	58

As a market for Canada's exports of alcoholic beverages the United States is of outstanding importance, taking normally more than 95 per cent of the total. In the five years 1935-39 exports of distilled liquors averaged 3·5 million proof gallons valued at \$16 millions, of which 3·4 million proof gallons valued at \$15·6 millions went to the United States. Small quantities were exported to the United Kingdom, the West Indies, Central and South American countries, New Zealand and China.

Exports of Canadian beer are normally very small. In 1935-39 they averaged 103,000 gallons valued at \$105,000, of which more than 65 per cent

went to the United States. Newfoundland, Bermuda, British Guiana and Trinidad took most of the remainder.

Exports of wines in the same period averaged 7,000 gallons valued at \$19,000. Of this, 5,000 gallons valued at \$17,000 went to the United States, while small quantities went to the United Kingdom, Newfoundland, Jamaica, British Guiana, New Zealand and China.

During the present war the export of spirituous liquors has fallen off, while beer exports have risen sharply, due chiefly to the sending of supplies to war theatres for the use of the troops.

FREE AIRPORT IN IRELAND

The Government of Ireland has decided to promote legislation to make the Shannon Airport a free port for air transport as soon as wartime restrictions on traffic can be relaxed, the *Irish Trade Journal and Statistical Bulletin* reports. This means that in-transit passengers, baggage and merchandise will travel into and out of the airport without the formalities of customs and immigration inspection.

While many free ports have been set up for sea transport, so far no country has designated a free airport and the Shannon Airport will be, therefore, the first free airport in the world, according to the above publication. While in-transit traffic will be freed from

customs and immigration procedure, it will apply in the case of traffic having its destination in Ireland. The creation of the free port will in no small measure meet the air transport operator's aim of keeping his aircraft in the air and reducing to a minimum the time spent on the ground.

A free port has been defined as an area of limited extent, without a resident population, in or adjacent to a port of entry and separated from the adjoining territory, where goods may be imported, handled and re-exported abroad free from customs laws, duties and supervision. Many countries in Europe have established free ports for surface transport.

MARKET FOR WOODEN CRATES AND CARDBOARD CONTAINERS IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

By G. A. NEWMAN, *Canadian Trade Commissioner at Port of Spain*

Trinidad is gradually becoming the processing centre for tropical products in the British West Indies (Eastern Group). As a result, there is being built up a market for wooden and cardboard containers for the packaging of such products as canned citrus-fruit juice, bottled rum, bitters, soap, and matches.

According to current estimates, the Colony's annual requirements amount to about 1,205,000 wooden crates and about 1,000 tons of cardboard cartons, although, owing to wartime restrictions, this quantity may not be readily obtainable.

It is probable that, when supplies are freely available, the tendency will

be towards increased imports of cardboard cartons rather than box shooks, which the cartons may replace in certain of the trades on account of their lightness and relatively easier handling.

In the pre-war period there was also a market for about 3,000 field crates and between 40,000 and 75,000 Florida citrus crates per annum for the packaging of fresh grapefruit. At present these are not exported, although the trade is likely to be resumed following the cessation of hostilities.

There are modest markets for crates and cardboard cartons in Barbados for

packing bottled rum and soap, and in British Guiana for bottled rum.

Prior to the outbreak of war Montserrat was shipping tomatoes to Canada, and a small market was thus available for tomato lugs, while, under normal conditions, a few citrus crates were required in St. Lucia and Dominica, and there was a demand for small quantities of mace boxes in Grenada.

No official figures of imports into these colonies are available, but it may be assumed that Trinidad and, to a lesser extent, British Guiana and Barbados will be the main markets for wooden and cardboard containers in this area.

POST-WAR PLANS OF THE CHILEAN STATE RAILWAYS

By M. J. VECHSLER, *Canadian Commercial Attaché at Santiago*

The head office of the Chilean State Railways has recently released a brief review of post-war plans and intended purchases of equipment. The report indicates that an expenditure of approximately US.\$55,868,500 is contemplated for equipment, machinery and materials, which must be obtained as soon as the war ends.

Traction and Shops Department

The plans indicate that this Department will require to purchase and import ten steam locomotives for the Southern line as well as one hundred third-class steel coaches, twenty steel waggons, forty cabooses, three self-propelled cars for the Transandine service, six for the Northern line, three for the Arica-La Paz Railway, three for the Salta-Antofagasta line, fifty self-propelled Diesel gondolas for branch lines, fifty refrigerator cars, and material for the construction in the country of two hundred and fifty freight cars so as to ensure regular renewal of equipment. In addition, the purchase of machinery, tools and equipment for the modernization of yards and machine shops is also contemplated.

The purchase of fifteen electric locomotives of various types and of motor-

generator groups is also planned. The projected electrification of the Southern line will require the purchase of fifty-three locomotives, ten electric self-propelled motors, four sub-stations of 6,000 kw., eleven sub-stations of 4,000 kw. and general systems for power, control, supervision and materials for shops and maintenance. A modern centralized traffic control system is contemplated for this new electrified sector.

Similarly it is proposed to improve and renew the lighting systems in coaches and self-propelled cars. The purchase of thirty air-conditioning sets is proposed, and in addition some central electric stations will be renewed, and the wiring of the larger stations will be amplified. It is expected that expenditures for the foregoing will approximate US.\$47,308,000.

Maintenance of Way

The report indicates that it is proposed to supply maintenance-of-way gangs with self-propelled cars and portable telephones.

Rail and Bridge Reinforcements

The electrification of the Alameda-Chillan sector will require further rail

renewal and bridge reinforcement. The steam equipment at present in use is expected to be utilized from Chillan to the south. It will be necessary to change the rails between Temuco and Puerto Montt, which have not been renewed under present quotas. As a result, some 40,000 tons of rail will be required, while bridge reinforcement material will amount to some 6,000 tons. Expenditures under these headings are expected to amount to some US.\$8,000,000.

Materials Department

Ordinary and extraordinary purchases by the aforementioned Depart-

ment, of which details have not been supplied, are expected to approximate US.\$4,000,000.

The Chilean State Railways expect to be able to improve their services substantially with the above projected purchases and thus help solve their equipment problem, renewal being reported to be many years behind.

A purchasing office is maintained by the Chilean State Railways at 120 Broadway, New York City, N.Y., U.S.A., and interested Canadian suppliers can effect direct contact with that office, to which all inquiries are forwarded, or directly with the head office of the Railway at Santiago, Chile.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

WHEAT SITUATION

The Canadian Trade Commissioner at Melbourne cabled on February 17 regarding the wheat situation as follows:—

Unsold wheat stocks in Australia at February 10 totalled 84 million bushels. Harvesting is practically completed and the yield of the new crop is estimated at 52 million bushels. The Federal Cabinet has decided that for the 1945-46 wheat harvest the Scully wheat quota scheme will be dispensed with and that as a first advance there will be an over-all guaranteed increased price of 75 cents a bushel at grower's. The Scully quota plan at present provides for payment of 72 cents at sidings for the first 3,000 bushels with an advance of 53 cents for wheat in excess of the first 3,000 bushels. The inducements now given wheat farmers to plant more grain are (1) increased guaranteed prices, (2) temporary registration for one year to any person who desires to plant wheat, (3) doubling up of wheat acreages that have failed, and (4) licensed farmers may plant a greater basic acreage.

Brazil

FOREIGN TRADE IN FIRST HALF OF 1944

Exports from Brazil in the first six months of 1944 amounted in value to \$290,032,000, showing an increase of \$74,000,000 over the first six months of 1943, according to the bulletin of the Brazilian Information Bureau at Ottawa. The volume of exports was also sharply higher at 1,293,332 metric tons as compared with 1,065,096 metric tons.

Coffee was the leading export commodity, the value of coffee exports exceeding 38 per cent of the value of total exports. Exports of coffee, sugar, cacao and rice had an aggregate value of \$130,400,000 as against \$83,370,000 in the corresponding period of 1943. Among raw materials, cotton was the leading export, accounting for 7 per cent of the total export value. Next in order were carnauba wax and rock crystal. The value of raw materials exported was 25.5 per cent of the total value as compared with 22 per cent. The percentage of manufactured goods exported was approximately the same.

Imports during the period are estimated at a value of \$205,840,000 and a volume of 1,828,975 metric tons, both

figures showing appreciable advances over the January-June period of 1943. Wheat was the leading import commodity, accounting for 14·5 per cent of the total value.

Newfoundland

PRODUCTION OF TOYS

There has been an increase in the production of toys in Newfoundland. These toys are largely made of wood, but they are well and attractively coloured. A stimulus to this industry was given when the St. John's Fire Departments undertook to produce toys for poor children in the island, \$8,000 worth of toys being produced this year alone. The manufacture of toys as a home craft has definite possibilities in Newfoundland, where it would provide a means of supplementing incomes during the long winter months.

RAILWAY BUILDING PROGRAM

The Newfoundland Government Railway has announced an extensive building and equipment program for the coming year. In addition to new repair shops and terminal facilities at various points, an order has been placed in Canada for 25 refrigerator cars to handle the increasing movement of frozen fish and meat shipments throughout the island.

Plans also include the improvement of the steamer terminals and the wharves and sheds at North Sydney, Nova Scotia.

New Zealand

WOOL STOCKS

As announced some time ago the British Government has agreed to extend the wool purchase agreement with New Zealand and Australia until one wool clip after the end of the war in the Pacific; the presumption being that the hostilities in Europe will cease first.

The agreement entered into by Britain with the New Zealand Government in October, 1939, for the purchase of the Dominion's wool clips, as far as

they were not required for domestic use, provided for the period of the war and one year thereafter. This contract was made before Japan entered the war.

Owing to the accumulation of wool in the United Kingdom, shipments of late from New Zealand have been reduced, with the result that stocks are piling up. It is estimated that by the end of the current season these stocks will total over 1,000,000 bales worth at least £2,000,000. Storage for this wool is being paid by the British Government, which purchases the wool after appraisement.

South Africa

INQUIRY INTO DISTRIBUTION OF FOOD

A committee to inquire into the distribution of subsidized foods and essential foodstuffs was appointed early in December of last year by the Ministers of Welfare and Demobilization and of Agriculture. Under its terms of reference the committee is to inquire into, report upon and make recommendations concerning methods under which subsidized foods can best be made available to meet the essential food requirements of consumers in the lower-income categories, and as to the methods to be employed to ensure, as far as possible, an equitable distribution of essential foods to the population as a whole.

In carrying out that part of its task relating to subsidized foods, the Committee is asked to give particular consideration to the merits and demerits, for distribution purposes, of existing trade channels, public utility organizations, food depots or stores operated or controlled by the State or as a joint enterprise by the State and a local authority, and of a combination of two or more of these systems, or of any other food-distributing system. It is also asked to study particularly the extent to which these foods may be made available through communal feeding services, such as restaurants and canteens, having regard to the needs of industrial workers; the mea-

sures necessary to ensure a regular flow of available subsidized foods between the producer and selected consumer; and methods of selecting and registering consumers of subsidized foods, so that the benefits of food subsidization are adequately extended to eligible consumers.

GOLD PRODUCTION IN 1944

Gold produced in the Transvaal during 1944 totalled 12,277,228 ounces as against 12,800,021 ounces in 1943. The value of the year's output at 168s. per ounce was £103,128,715, which is £4,391,461 below the 1943 value.

United Kingdom

SALE OF CANADIAN CANNED SALMON

Mr. J. A. Langley, Canadian Trade Commissioner at London, writes that the Ministry of Food has issued a press notice explaining a new arrangement which has been introduced with regard to the labelling of canned Canadian salmon distributed by the Ministry in the United Kingdom.

The text of this statement is as follows:—

1. There are several different species of salmon caught on the coast of Brit-

ish Columbia and Alaska. Each has its own characteristic size, shape and appearance. The colour of the flesh also varies from the deep red of the Sockeye to the pale pink of the Chum.

2. These various species are classified into three groups, arranged broadly in accordance with colour when packed, the deep reds being in Group I, the medium reds in Group II and the palest in Group III.

3. The three groups are not different qualities of fish or different cuts from the same fish. The groups indicate the different species of fish. All species are perfect, freshly caught fish and have substantially the same high protein content.

4. These three groups have hitherto been labelled Grade I, Grade II, Grade III. This has misled purchasers into thinking that these are three different qualities of fish, and it has therefore been decided that the three groups shall in future be labelled Group I, Group II, and Group III. Tins with these labels will shortly be appearing in the shops.

5. Some tins will bear the canners' brand labels; but the quality of these will be the same as of those bearing the Ministry of Food label. Every label will show the group number.

REGULATIONS FOR EXPORT SHIPMENTS FROM CANADA

With reference to the article "Summary of Regulations for Export Shipments", published in *Commercial Intelligence Journal* No. 2139 (January 27, 1945), the attention of exporters is directed to the following amendments and additions to the instructions and information contained therein relating to the British West Indies (Eastern Group) and British Guiana, Iceland and Newfoundland:—

British West Indies (Eastern Group) and British Guiana

Non-foodstuffs.—After completing application in quadruplicate, the exporter should send two copies to the

British Colonies Supply Mission, West Indies Section, Room 1307, 15 Broad St., New York; not to the Washington address given previously, this section having moved from Washington to New York. Two copies should also be sent as before to the British West Indies Shipping Division, Department of Trade and Commerce, Ottawa. (The remainder of the instructions contained in the above-mentioned article continue to apply).

Iceland

All bookings to Iceland in quantities exceeding five tons must have the approval of the Icelandic Government

to ensure control of non-essential cargo. Shippers of commercial cargo should state their requirements of space to the railways, which will advise the exporter when a steamer is proposed for a direct sailing. Shippers should also get in touch with Messrs. F. K. Warren Ltd., 309 Bank of Nova Scotia Building, Halifax, who are agents for the Iceland Steamship Company. While most of the shipments from Canada are routed through a Canadian port, it is possible that an occasional shipment may go by way of New York. In such cases the shippers should arrange their bookings direct with the Iceland Steamship Company Ltd., 80 Broad Street, New York City, N.Y.

Newfoundland

Shipping space is controlled by the Secretary, Newfoundland Transportation and Control Board, St. John's Newfoundland, who designates the various priorities applying and advises shipping companies of these priorities. Interested exporters can obtain full information from any of the shipping companies operating from Canada to Newfoundland, such as: Montreal Shipping Co. Limited, Montreal; Canadian National Steamships, Montreal; Newfoundland-Canada Steamship Limited, Montreal and Halifax; Furness Withy and Co. Limited, Montreal; Shaw Steamship Co. Limited, Montreal; or any other company operating boats to this area.

CANADA'S DOMESTIC EXPORTS IN JANUARY

Canada's domestic merchandise exports in January, 1945, were valued at \$230,498,000 as compared with \$242,011,000 in the corresponding month of last year, a decrease of \$11,513,000 or 4.8 per cent. The value of basic war materials exported amounted to \$114,898,000 as against \$118,878,000 in January, 1944.

Domestic merchandise exports to the United Kingdom were valued at \$83,230,000 as compared with \$94,813,000 in January, 1944, and to the United States at \$84,703,000 as against \$85,325,000. Exports to British India rose to \$18,022,000 from \$7,505,000, and to Italy to \$12,711,000 from \$7,908,000.

Merchandise exports to other leading countries in January, 1945, were as follows, totals for January, 1944, being shown within parentheses: British South Africa, \$2,365,000 (\$457,000); Newfoundland, \$3,787,000 (\$2,350,000); Egypt, \$2,314,000 (\$12,725,000); France, \$2,300,000 (nil); Russia, \$4,380,000 (\$7,845,000); Jamaica, \$1,591,000 (\$894,000); Trinidad and Tobago, \$1,357,000 (\$951,000); Australia, \$1,790,000 (\$2,787,000); New

Zealand, \$1,382,000 (\$1,788,000); French Possessions, \$1,146,000 (\$5,056,000).

Exports of meats in January of this year advanced to \$15,875,000 from \$12,645,000 in the corresponding month of last year, while wheat exports declined to \$6,606,000 from \$22,856,000, and wheat flour to \$5,643,000 from \$6,638,000. The total for fibres and textiles rose to \$5,033,000 from \$2,987,000. Newsprint exports increased to \$11,313,000 from \$11,033,000, and those of planks and boards to \$6,402,000 from \$6,253,000. Exports of motor vehicles and parts advanced to \$37,354,000 from \$26,317,000.

Exports of other principal commodities in January, 1945, were as follows, totals for January, 1944, being shown within parentheses: vegetables, \$1,525,000 (\$1,054,000); alcoholic beverages, \$2,197,000 (\$1,705,000); seeds, \$1,560,000 (\$1,214,000); fishery products, \$4,361,000 (\$5,743,000); furs, \$3,900,000 (\$4,557,000); eggs, \$2,270,000 (\$1,276,000); wood-pulp, \$6,922,000 (\$5,637,000); chemicals, \$8,011,000 (\$8,331,000).

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by

principal countries and commodities for the month of January, 1944 and 1945:—

Exports by Principal Countries

	Month of January 1945	1944
	Thousands of Dollars	
All countries	230,498	242,011
Empire countries	116,940	114,742
British East Africa	516	138
British South Africa	2,365	457
Southern Rhodesia	143	75
British West Africa	73	441
Bermuda	177	251
British India	18,022	7,505
Ceylon	676	79
British Guiana	351	376
Barbados	28	198
Jamaica	1,591	894
Trinidad and Tobago	1,357	951
British West Indies, other	265	354
Newfoundland	3,787	2,350
Australia	1,790	2,787
Fiji	9	77
New Zealand	1,382	1,788
Palestine	16	84
Eire	598	584
United Kingdom	83,230	94,813
Foreign countries	113,558	127,269
United States	84,703	85,325
Argentina	109	412
Bolivia	27	9
Brazil	707	227
Chile	121	20
China	1	...
Colombia	101	69
Costa Rica	9	21
Cuba	462	512
Ecuador	14	1
Egypt	2,314	12,725
France	2,300	...
French Possessions	1,146	5,056
Greece	451	1,189
Guatemala	36	37
Haiti	12	50
Honduras .....	...	4
Iceland	249	320
Iraq	231	875
Italy	12,711	7,908
Mexico	621	424
Netherlands West Indies	49	25
Nicaragua	19	2
Panama	31	33
Paraguay	1	...
Persia	126	17
Peru	148	60
Portugal	45	59
Portuguese Africa	47	4
Russia	4,380	7,845
Salvador	12	20
San Domingo	51	46
Switzerland	919	482
Turkey	31	2,404
Hawaii	403	41
Puerto Rico	97	220
Uruguay	107	217
Venezuela	154	125

Exports by Principal Commodities

	Month of January 1945	1944
	Thousands of Dollars	
Total domestic exports*	230,498	242,011
Agricultural products	26,415	40,634
Fruits	928	599
Vegetables	1,525	1,054
Grains	9,472	25,190
Barley	551	367
Wheat	6,606	22,856
Wheat flour	5,643	6,638
Alcoholic beverages	2,197	1,705
Seeds	1,560	1,214
Animal products	30,513	28,351
Cattle (except for stock)	258	231
Fishery products	4,361	5,743
Furs (chiefly raw)	3,900	4,557
Hides, raw	33	39
Leather, unmanufactured	268	257
Leather, manufactured	214	244
Meats	15,875	12,645
Butter	84	32
Cheese	1,107	2,078
Eggs	2,270	1,276
Fibres and textiles	5,033	2,987
Cotton and products	765	136
Flax and products	55	241
Wool and products	1,595	1,570
Artificial silk and products	892	505
Wood and paper	31,854	29,155
Planks and boards	6,402	6,253
Timber, square	67	40
Shingles	551	449
Pulpwood	1,526	1,407
Wood pulp	6,922	5,637
Paper, newsprint	11,313	11,033
Iron and products	55,719	52,041
Pigs, ingots, etc.	1,239	2,319
Rolling mill products	586	378
Tubes and pipes	231	314
Farm implements	914	762
Hardware and cutlery	252	329
Machinery, other than farm	2,145	1,203
Motor vehicles and parts	37,354	26,317
Non-ferrous metals (excluding gold)	31,283	27,509
Non-metallic minerals	4,503	4,122
Coal	448	399
Petroleum	1,167	20
Stone	934	1,760
Chemicals	8,011	8,331
Acids	142	211
Fertilizers	2,428	2,205
Soda compounds	528	543
Miscellaneous	37,168	48,881
Electric energy	533	636
Films	269	115

* These totals include exports of items mainly for war purposes, such as tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies, and Canadian army stores, valued at \$114,898,000 in January, 1945, and \$118,878,000 in January 1944. The percentage of war materials in other items cannot be ascertained.

INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended December 31, 1944 (Nos. 2109 to 2135 inclusive), is now in the hands of the printer and will be sent out shortly to subscribers. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference and to preserve them, with the Index, in bound volumes or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to January 27, 1945:

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act $\frac{6}{5}$ to $3\frac{1}{4}$ c per gal.	Used by Canada to January 27, 1945 Quantity	Per Cent
Whole milk	Gal.	3,000,000 per calendar year		2,050	....
Cream	Gal.	1,500,000 per calendar year	56% to 28% per gal.	58	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	15,000,000 per calendar year	$2\frac{1}{2}$ to $1\frac{7}{8}$ c. per lb.	1,359,298†	9.0
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1944	75 to $37\frac{1}{2}$ c. per 100 lb.	Quota filled	
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1944	75 to 60c. per 100 lb.	Quota filled	
Red cedar shingles	Sq.	§	Dec. 1 to end of Feb.; $37\frac{1}{2}$ c. Mar. 1 to Nov. 30 Free	98,671	....
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1944	50 to 35% ad val.	15,421†	15.4
Tails	Piece	5,000 beginning Dec. 1, 1944	50 to 35% ad val.	....	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† Imports of foxes valued at \$250 each and whole furs and skins from countries other than Canada amounted to 275 for the period December 1, 1944, to January 27, 1945.

‡ This figure includes fish from other countries as well as Canada. The statement by the Treasury Department gives no indication of the proportion of these imports supplied by Canada.

§ The 1945 quota for red cedar shingles has not yet been determined.

MAIL SERVICE TO GREECE AND BULGARIA

With reference to the notice in *Commercial Intelligence Journal* No. 2131 (December 2, 1944), the Post Office Department has announced that the civilian postal service for non-illustrated post cards from Canada has now been extended to all areas of Greece.

The Secretary of State on February 9, 1945, issued a notice under the provisions of the Revised Regulations Respecting Trading with the Enemy (1943) permitting persons residing in

Canada to communicate with and receive communications from persons residing in liberated areas of Bulgaria with respect to personal and business matters. No actual trading shall take place. The Post Office Department, following this notice, has announced that letters and non-illustrated post cards up to 2 ounces may now be accepted for Bulgaria at the postage rates in effect before the service was suspended.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 108, effective February 19, 1945, wood charcoal is deleted from the list of exemptions specified in Schedule I of Export Permit Branch Order No. 106, so that export permits will be required for shipments thereof to any destination.

South Africa

IMPORTATION OF SAMPLES

Mr. H. L. Brown, Canadian Trade Commissioner at Johannesburg, writing under date January 15, 1945, states that the South African Directorate-General of Supplies has widened regulations regarding the importation of samples into South Africa (see article under this title in *Commercial Intelligence Journal* No. 2104: May 27, 1944).

In the first place it has been agreed that all bona fide agents of overseas firms may import samples irrespective of their previous import standing and consequently, instead of confining the issuance of import permits for samples to manufacturers' agents who were in business in 1939 or who actually imported samples from September, 1941 to January, 1943, all agents may now import samples.

The Directorate-General of Supplies has also agreed to allow the importation of samples of goods which ordinarily could not be classified as essential and for which import permits were not previously issued. In respect of this concession it is stipulated that the issuance of import permits does not imply that import facilities will necessarily be allowed for such goods when ordered in commercial quantities.

New Zealand

IMPORT LICENCES FOR COTTON AND RAYON PIECE-GOODS

Mr. C. B. Birkett, Acting Canadian Trade Commissioner in Auckland, writes that, according to an announcement of the New Zealand Customs Department on January 8, 1945, it is probable that provision will be made for the importation into New Zealand from Canada and the United States during 1945 of limited quantities of cotton and artificial silk piece-goods. The types of goods in respect of which applications for licences will be considered from regular importers of such goods are: from Canada, lawns, cotton prints, oil baize, leather cloth and rayon piece-goods; and from the United States, cotton prints, marquises, decorative fabrics and rayon piece-goods.

EXCHANGE CONDITIONS IN BRAZIL

By L. S. GLASS, *Commercial Attaché, Canadian Embassy at Rio de Janeiro*

The supply of foreign exchange in Brazil continues to be entirely adequate to meet all requirements.

It should be noted, however, that there is a growing tendency to scrutinize carefully all imports into Brazil and the authorities are discouraging the import of commodities which are produced locally in adequate quantities. There is also a tendency to discourage the importation of purely luxury articles and importers or agents may be refused the facilities of open-

ing credits abroad for commodities which may fall within these categories.

It is suggested therefore that it might be advantageous if, before shipment, Canadian exporters insist upon Brazilian importers obtaining assurance from the Bank of Brazil that exchange will be made available upon the arrival of the goods, should they be shipped on any terms other than letter of credit. If the goods are shipped against irrevocable letter of credit, the question, of course, does not arise.

January 22, 1945.

SUBSCRIPTION RATES

The *Commercial Intelligence Journal* is published in English and French and is issued every Saturday by the Department of Trade and Commerce.

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 19, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 19, 1945, and for the week ending Monday, February 12, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 12	Nominal Quotations in Montreal Week ending Feb. 19	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.866 Bid Offer	4.4200 4.4800	4.4200 4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2747	.3304 .2758	3½
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½
Colombia	Peso	.9733	.6343	.6343	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	—
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165 *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VEHSLER, Commercial Attaché, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

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Egypt

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80

CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Mexico

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Newfoundland

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W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACKILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucom.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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Minister:

Hon. James A. MacKinnon, M.P.

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M. W. Mackenzie

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TABLE OF CONTENTS

	Page
Mr. Mackenzie Assumes Duties of Deputy Minister	181
United Kingdom Market for Electrical Appliances	182
Charcoal Production in the North of England	184
Town and Country Planning in Scotland	186
Export Trade of Trinidad	187
Indian Market for Box Shoos	190
Economic, Trade and Production Notes	192
Further Modification of Decentralization Plan for Exports to Latin America	194
Raw Material Trends	195
Regulations for Export Shipments from Canada: British West Indies (Eastern Group) and British Guiana ...	196
Trade Regulations and Tariff Changes: 197	
Foreign Exchange Quotations	198
Commercial Intelligence Service	199

MR. MACKENZIE ASSUMES DUTIES OF DEPUTY MINISTER

M. W. Mackenzie, whose appointment as deputy minister of the Department of Trade and Commerce in succession to L. D. Wilgress, Ambassador to Russia, was recently announced by Prime Minister Mackenzie King, assumed the duties of his new office on March 1.

Son of the late H. B. Mackenzie, sometime general manager of the Bank of Montreal, Mr. Mackenzie was graduated in 1928 from McGill University, where he studied in the School of Commerce. Following his graduation, he joined the firm of McDonald, Currie and Company, chartered accountants, Montreal, in 1929 was admitted to the Society of Chartered Accountants of the

Province of Quebec, and in 1935 became a member of the firm.

In September, 1939, on the outbreak of war, Mr. Mackenzie came to Ottawa to assist in the introduction of exchange control. He became chairman of the management committee of the Foreign Exchange Control Board when the first chairman, Donald Gordon, was named chairman of the Wartime Prices and Trade Board. In May, 1942, Mr. Mackenzie also transferred to the Wartime Prices and Trade Board, of which he was appointed deputy chairman in June, 1943. He resigned from the Board in May, 1944, and rejoined the firm of McDonald, Currie and Company. In November last he was appointed a

member of the Royal Commission on Taxation of Annuities and Family Corporations, on which he will continue to serve until the Commission's duties are completed.

During the period since the appointment of Mr. Wilgress as ambassador to Russia, Oliver Master, assistant deputy minister, has performed the duties of

deputy minister. He now resumes the position of assistant deputy minister, to which new duties will be added as the result of the expansion under way in the Department for the purpose of enlarging and improving the trade services available to Canadian manufacturers and exporters in post-war years.

UNITED KINGDOM MARKET FOR ELECTRICAL APPLIANCES

By J. A. Langley, *Canadian Trade Commissioner at London*

Before the war the United Kingdom provided an export outlet for Canadian-made electrical appliances, particularly washing-machines, stoves, and refrigerators. The market, moreover, was expanding due to the development of electrification, but competition from United Kingdom manufacturers was keen, particularly in refrigerators and vacuum cleaners.

United Kingdom manufacturers have, through their trade association, the British Electrical and Allied Manufacturers' Association, recently been collaborating, in consultation with women's organizations, with a view to developing sales in the post-war period of electrical appliances that will be attractive, reasonably priced, economical and easy to use.

The plans of the United Kingdom industry after the war have been prepared and published in outline by the Association. They show that a large measure of co-operation between individual manufacturers has been achieved. It should be made clear that the proposals are provisional and that actual supplies cannot be made available until it is possible for the Government to release the necessary materials and labour.

Canadian manufacturers of electrical appliances who shipped goods to the United Kingdom before the war will be interested in the results of these studies and in the developments which will ensue.

Cookers

The report states that the post-war cookers will incorporate the following special features, for which preference is indicated: (a) oven at table height; (b) a quick heating up of the oven; (c) thermostatic control of oven temperature; (d) rapid boiling plate; (e) simmering control on the boiling plate; (f) increased grilling and warming space.

For the convenience of users it is proposed to aim at a standard kitchen working level of 36 inches, thus eliminating bending and stooping. The new electric cooker will be completed with flush surfaces, rounded corners and enamelled finish, and the grilling and boiling unit will be at table height. Simmering control of the boiling plate will be introduced, and the oven fitted with thermostatic control.

The Association estimates that at least two million electric cookers are at present in use in the United Kingdom, and that at the outbreak of war United Kingdom-made cookers were being sold at the rate of two hundred thousand a year.

Refrigerators

The Domestic Electric Refrigeration Association, comprising the leading United Kingdom makers of electric refrigerators, have pooled their technical resources and used their experience in designing a refrigerator which can

be "built-in" as an integral part of the post-war kitchen.

Research and experience have demonstrated that a refrigerator having a net capacity of not less than 4 cubic feet is required as the minimum for the average household. The external dimensions of the new refrigerator will be 21 inches wide by 19 inches deep by approximately 46 inches high. The complete cabinet is designed for "building-in" as a kitchen fitment at service height, with cupboard space above and below, thus giving the utmost economy in floor space. Some of its features will be: large storage capacity; ample shelf accommodation; low running costs; fully automatic and interchangeable air-cooled unit; ice-making facilities.

The air-cooled unit—that is the complete cold-producing component which provides refrigeration—is mechanically interchangeable as between different makes and is a new development resulting from the co-operative planning of the members of the Association. It makes possible easy removal for inspection and, where necessary, a replacement unit can be substituted in a few minutes. Continuity of service to the user is thus ensured. The current consumption is estimated at one unit per twenty-four hours.

Washing-machines

Referring to the increased popularity of the electric washing-machine before the war, particularly in the smaller house where economy and labour-saving are matters of particular importance, the Association states that a number of United Kingdom manufacturers have agreed to participate in a collective plan to provide a popular type of machine.

The proposals visualize an electrically driven machine complete with power-driven washing device and

wringer, square in section, and mounted on castors for mobility. Its external dimensions will not exceed 22½ inches square, and its height will be made to suit the standard height of the kitchen sink (36 inches). The capacity of the bowl will be approximately 10 gallons to the "load line" (when not charged with washing), and provision is to be made for the wringer to be housed in the body of the machine when not in use.

Water-heaters

Finally it is pointed out that the use of the electric water-heater was increasing considerably before the war. Economy in space and in price, of course, will be of importance in post-war building, and the members of the Electric Water Heater Manufacturers' Association have agreed upon a design of water-heater for small houses and apartments which is economical as regards space and requires a minimum of pipe work. It is a new development in water-heating and has been specially planned for installation either in conjunction with a solid fuel boiler or under-the-sink draining-board as an "all-electric" heater.

It is in effect two water-heaters in one, one of the "heats" is "on" all the time to provide instantly 6 to 7 gallons of hot water for washing up. When bath water is required, additional "heat" is made available. The temperature of the water is thermostatically controlled.

When fitted with flow and return unions, this heater may also be used in place of the usual hot-water tank or cylinder and may be coupled to the ordinary range or independent boiler. This arrangement provides an ideal combination for winter or summer use. Provisional details are as follows: capacity, 20 gallons; height, 33 inches; diameter, 20 inches; total loading, 3 kw, arranged in two "heats", each thermostatically controlled.

CHARCOAL PRODUCTION IN THE NORTH OF ENGLAND

By A. E. BRYAN, *Canadian Trade Commissioner at Liverpool*

As a result of a number of inquiries received from Canadian producers of charcoal who now find themselves in a better position to supply the United Kingdom than in 1940, this office has recently investigated the charcoal position in the United Kingdom in order to ascertain what changes have taken place since the market was last studied and reported upon in 1940.

At the beginning of the war, when it was apparent that larger quantities of locally produced charcoal would be needed to replace supplies from abroad, the Forestry Commission was charged with the responsibility of developing production, and the steps that were taken at that time to produce charcoal and the processes used were fully explained in the report published in *Commercial Intelligence Journal* No. 1896 (June 1, 1940). Early in 1942 this work was turned over to the Timber Control Branch of the Ministry of Supply, and since then production methods have been considerably improved.

Change in the Kilns

The Home Timber Production Department of the Timber Control, which has had charge of charcoal production during the past three years, reports that the design of the portable steel kilns has remained substantially the same, the chief change being that these are now made in two sections instead of three as formerly. It has been found that this change has little effect on portability, while manufacturing is considerably simplified, and one source of potential air-leaks is eliminated. Other minor modifications include redesigned flue-boxes and flue-pipes of sturdier construction and bottom-sections reinforced at the base with steel of double thickness and vertical T-section ribs. It was found by experience that bottom-sections which were not reinforced buckled quickly under the intense heat and became useless.

In the New Forest, where installations are of a more permanent nature than usual, producers have experimented with lining the kilns with fire-bricks. This has the advantage of prolonging the life of the kiln almost indefinitely, but the cost is high and it has been found that radiation from the bricks prolongs the cooling period to an undesirable extent.

A change which has proved successful is the construction of a special concrete base for the kilns, which permits of their being emptied from the outside. A trap in the base is covered with a steel tray during the loading, burning and cooling processes and, when the kiln is ready for emptying, the tray is withdrawn and the charcoal bagged up with long-handled rakes and shovels. This scheme has two important advantages in that it makes the job much less unpleasant for the workmen and avoids the crushing of the charcoal into dust, which is inevitable when it is trampled on by the men entering the kiln. It is, however, an economic measure only when the kilns are to remain on one site for a fairly long period.

Lay-out of Batteries

The layout of batteries has been standardized, in the light of experience, as follows:—

The kilns are arranged in a straight line, some 10 to 12 feet apart, with a track (either of rails or sleepers) running the whole length, so that the saw bench can be moved up to whichever kiln is being loaded. On the other side of this track the cordwood is stacked; this is handed down in the length to the man at the saw, cut into lengths of about 18 inches, and thrown straight into the kiln.

On the far side of the kilns is another track on which the charcoal is loaded on to bogies after bagging and run into the storage shed. The latter is so located that from its far side the char-

coal can be loaded direct on a lorry standing on the hard road.

An exception to this standard layout has been made in the case of a battery operating in Huntingdonshire. This is a 100 per cent charcoal operation in a stand of several hundred acres of birch, and is the biggest and most ambitious of the charcoal projects.

In this case the trees are cross-cut to a convenient length in the woods, and the lengths are brought in by rail to a miniature mill and put through a slasher which has five circular saws mounted 9 inches apart on one spindle. The billets are fed automatically by a belt conveyor from the slasher into trucks run on a rail track raised some 4 feet off the ground, on either side of which is a row of fifteen kilns.

Due to the raising of the rail track (which considerably reduces the effort required to load the kilns) and to the fact that the kilns can be emptied from the outside, it has been found that women can undertake these jobs satisfactorily.

Burning Technique

No important changes have been made, or called for, in the original technique of burning. Each burner has his own theories on such points as whether the charge should be lit at the top or bottom or midway, the duration of the warming-up period, the setting of dampers, etc., and as a general rule it has been found most satisfactory to allow them to follow their own bents in these respects.

Experiments have been carried out to ascertain whether any advantage could be gained by stacking the wood in the kilns and by grading it according to size, but it has been found that this has an adverse effect on output, owing to the extra time required for loading.

Yields per kiln vary considerably, owing to local conditions and such factors as species of wood, wetness or dryness of the wood, and efficiency of tending. Yields of over 15 hundredweights have been obtained, but the average is probably between 10 and 12

hundredweights from a kiln-load of some 3 tons of wood. Since each kiln is usually burned twice a week, the yield should be approximately 1 ton per week per kiln.

The chief innovation has been the production, after much experimental work, of a special grade of charcoal suitable for the manufacture of carbon bisulphide. For this purpose only certain selected species of wood are suitable (principally beech, birch, chestnut and hornbeam), and the charcoal has to be screened to eliminate all material below half an inch in size. For this process there was devised a motor-driven screening machine with a cyclone fan to extract the dust, and in some of the smaller operations ordinary potato-grading machines, with slight adaptations, are being used successfully.

Softwood Charcoal

The demand for softwood charcoal is limited, but 5 or 6 tons of charcoal made from pine and larch are produced each week to special order. This is used in conjunction with acetylene to form a porous mass for navigational lighting.

Producer Gas

Until recently (when a return to petrol was authorized) a number of lorries have been run on producer gas, using charcoal as fuel. The charcoal is graded to a size-range of $\frac{3}{16}$ to $1\frac{1}{4}$ inch, and on the whole it has been found that the species suitable for making carbon bisulphide give better results than, say, oak, as they have less tendency to break down into dust in the hopper.

Fairly satisfactory results have been obtained with these lorries (particularly after a cyclone fan had been fitted to extract dust from the gas on its way from the hopper to the engine), the chief disadvantages having been the amount of maintenance work required, the loss of power as compared with petrol, and the reduced load-space caused by the fitting of the producer plant.

Uses of Charcoal

The chief wartime uses to which locally produced charcoal has been put include the manufacture of carbon bisulphide, case-hardening compounds (for which the material is granulated), explosives of many kinds, and for smelting.

Prices

The Home Production Department of the Ministry of Supply account for about one-third of all the charcoal now produced in the British Isles. A considerable number of persons produce charcoal privately on their own woodlands. The price of charcoal is not controlled, but in general values have increased considerably since 1940, that offered by the Ministry of Supply now selling at £13 10s. per ton f.o.r. (or £15 per ton delivered to any station) for the standard product, and £15 per ton f.o.r. for the special carbon bisulphide grade.

Packing

Charcoal is generally supplied in half-hundredweight hessian bags, for which there is an extra charge.

Post-war Trade

It is probable that production in the United Kingdom will fall off after the war in proportion to the reduction in

local felling operations and, as soon as import restrictions are removed, there should be an opening in this market for Canadian charcoal.

Producers in Canada must be prepared for keen competition from Norway, Sweden, and the Baltic States, all of which were sources of supply to the United Kingdom before the war. These countries in addition to proximity to this market, have the advantage of low freight rates and most of the producers obtain their charcoal as a by-product from the wood distillation industries. For this reason they can sell their product, which has always been of high quality, at a very low price. Prior to the outbreak of war United Kingdom importers were buying Scandinavian charcoal ex quay Liverpool at about £6 per ton.

For the time being no effective steps can be taken to introduce Canadian charcoal. This business is under the control of the British Ministry of Supply, who are producing charcoal from domestic hardwoods. While the amount available is far short of pre-war requirements, distribution is currently limited to the most urgent needs, with the result that it has not been found necessary to import any additional charcoal from abroad during the past three years or longer.

TOWN AND COUNTRY PLANNING IN SCOTLAND

By G. B. JOHNSON, *Canadian Trade Commissioner at Glasgow*

The purpose of the Town and Country Planning (Scotland) Bill, which was published on January 30, is the reconstruction of blitzed and "blighted" areas—whole districts which are obsolete and need to be developed afresh.

The Scottish Bill is simpler than the English because its application is almost entirely concerned with the problem of "blighted" areas, since Clydebank (adjoining Glasgow) alone is comparable with the blitzed cities in England whose destruction has created great opportunities as well as grave responsibilities and commitments.

Local authorities will have power under the Bill to acquire all the land needed for blitzed and blighted areas and also land needed for "overspill"—land for population and industry which cannot be accommodated in those areas. Other clauses enable land to be acquired for roads and open spaces for public use.

The Bill differs in one or two important respects from the English Act. Under the latter, planning authorities are required (unless the requirement is waived by regulations) to obtain the consent of the Minister of Town and Country Planning for England and Wales to developments of their own

if they are developments of a kind for which a private developer would have to get consent. Under the Scottish Bill, planning authorities will not require the consent of the Secretary of State for Scotland unless in special circumstances he considers that to be necessary.

The Bill states that prices payable for land acquired compulsorily within the next five years will be based on prices as of March, 1939. Extra payments up to a value of 30 per cent may be made to the owner-occupiers of any building or any agricultural property, and, where improvements have been made to land since March, 1939, their value will be taken into account in assessing the price.

Government grants will be available to local authorities to help them cover

the cost of borrowing money for the acquisition and clearing of the land in the blitzed areas and the land needed for "overspill". Existing subsidy payments will remain in operation under various Acts of Parliament where the land is used for the purpose of the Acts. For example, where a local authority uses land acquired under the Bill for the building of houses under the Housing Acts, it will get the appropriate subsidy under these Acts.

Agricultural buildings are brought by the Bill under planning control for the first time. Special provision is made for buildings of architectural and historical interest. There are safeguards for owners who, because of war damage or other war circumstances, have been prevented from rebuilding or using their property.

EXPORT TRADE OF TRINIDAD

By G. A. NEWMAN, *Canadian Trade Commissioner at Port of Spain*

Trinidad, from a Canada-West Indies trade point of view, is the most important colony in the British West Indies (Eastern Group), comprising the Leeward and Windward Islands and Barbados. British Guiana, on the mainland of South America, is usually included in this general area.

Trinidad, which is situated about 10 degrees north of the equator, is only a few miles from the coast of South America and is the most southern of the British West Indies. It has an area of 1,862 miles and, according to the 1942 estimate, a population of 530,000, exclusive of United States personnel.

It is the most industrialized colony in the British West Indies, because of its oilfields, and is the main air-traffic and shipping centre in the West Indies.

Production

Trinidad's two main agricultural crops are sugar and cocoa. Crops of lesser importance are citrus fruits and coconuts, and rubber, tonka beans, and coffee are minor crops.

Oil is, of course, the main industrial product, but there are an increasing

number of lesser industries, the most important, aside from the production of sugar and rum, being the processing of citrus fruits for the production of grapefruit juice, lime juice, and lime oil, and the processing of copra for the production of coconut oil, margarine, coconut meal, lard compound, and soap. In addition there were in operation in 1942 twenty-nine sawmills, a paper-pulp plant manufacturing pulp from bamboo, a match factory, four tanneries, two biscuit factories, a brewery, "Angostura" bitters factory, and nine aerated water plants.

Oil, cocoa, and sugar are important products in Trinidad's trade with Canada and their production merits further comment.

Petroleum.—The discovery of oil in Trinidad in 1867 was the beginning of the Colony's rise in industrial importance. By 1938 over 17,700,000 barrels of petroleum were being produced from 1,261 wells. Two refineries were in full operation, and a third, now complete, was under construction. It is estimated that the industry gives employment to about 14,000 workmen.

The growth of the petroleum industry is reflected in the statistical record of Trinidad exports and accounts for the fact that imports into Trinidad differ greatly from those of other colonies, both in respect of products required and sources of supply.

Cocoa.—Between 1870 and 1920 cocoa was the Colony's main agricultural crop, providing abundant returns and high profits. But aging plantations, lower prices, competition from new sources and, finally, witchbroom disease combined to reduce this product to a secondary position in the economy of the Colony. The area devoted to the crop decreased from 229,000 acres in 1939 to 160,000 in 1943, and production was reduced from 50,000,000 to 8,000,000 pounds. Cocoa, however, still provides employment for a considerable portion of the Colony's workers.

Sugar.—The falling-off in cocoa production left sugar as the main cash crop in the Colony. Production, which had averaged between 50,000 and 70,000 tons from 1880 to 1930, increased between 1931 and 1938 from 103,000 to 154,000 tons. Local consumption was about 12,000 tons, and the remainder was exported.

Trinidad's export quota was fixed under the International Sugar Agreement at 138,000 tons in 1938 and 132,000 tons in 1939. The war brought about a suspension of this restriction, but this measure was not necessary, since the shortage of shipping space and the diversion of labour to the construction of United States bases brought about a sharp reduction in acreage and output, so that in 1943 only 70,000 tons were produced.

At present, with only about 66,470 acres under cultivation, every effort is being made to increase output by means of a government subsidy for new plantings.

It is estimated that sugar production affords employment for about 15,000 to 25,000 workers, according to season, and a possible 100,000 of the Colony's inhabitants are dependent on it for subsistence.

Citrus Fruits.—Another small but important industry, the production of citrus fruit, has developed to offset the failure in cocoa. Exports of grapefruit rose from 3,433 boxes in 1928 to 79,660 boxes in 1938, going largely to the United Kingdom where it was accorded a tariff preference of five shillings per hundredweight.

In recent years the Co-operative Citrus Growers Association, comprising about 90 per cent of the growers, has undertaken the production of tinned grapefruit juice. The present plant has a capacity of 175,000 cases of twenty-four 20-ounce tins per season, and in 1943 produced 93,240 cases, 82,000 of which were consumed in the Colony. This local consumption was abnormal because of the presence at that time of a large number of army and navy personnel in the Colony. In peace time it is likely that the bulk of this juice will be available for export.

Exports

Since the time of the Canada-British West Indies Trade Agreement in 1925, and for reasons cited in the above outline of local industries, there has been a continuous change in the relative importance of Trinidad's main exports.

Cocoa was the dominant export up to 1924, when it was superseded by oil, and later in 1931 by sugar also. By 1938, oil exports accounted for 66 per cent of the value of Trinidad's total annual exports, sugar for 14 per cent and cocoa for 6·7 per cent.

With the exception of a brief period between 1929 and 1932, most of the oil has been exported to the United Kingdom, and the shipments of this product, together with purchases of a large proportion of the Colony's sugar, supplemented by those of asphalt, cocoa, copra, bitters, rum and grapefruit, has made the United Kingdom the main market for Trinidad products. Between 40 and 50 per cent of the total exports of the Colony were absorbed by that country from 1921 to 1925 and from 1933 to 1938.

The United States, was the main market for Trinidad cocoa, taking from

20 to 30 per cent of the Colony's exports up to 1931. With the departure of Great Britain from the gold standard in 1931 and the diminishing relative importance of cocoa in the Colony's exports, the importance of the United States as a market for Trinidad products began to fall off until in 1938 it accounted for only 5·7 per cent of the value of exports. In addition to cocoa, the United States regularly purchased moderate quantities of asphalt, bitters, coconuts, and molasses, but its primary importance to Trinidad was, and is, as a market for cocoa.

Chief Exports to Canada

The value of Trinidad's exports to Canada averaged £589,225 (B.W.I. \$2,828,280) per annum from 1926 to 1931 as compared with an average of £349,758 (B.W.I. \$1,678,838) for the preceding six years from 1920 to 1925, and \$2,151,265 per annum for the depression years 1931 to 1937. During the 1926-31 period world trade was tending upward, Britain was on the gold standard, and the Canada-British West Indies Trade treaty of 1925 had begun to operate.

A clearer perspective of Trinidad's export trade with Canada is obtained from an examination of the statistics of the individual products exported. These consisted of sugar, cocoa, grapefruit juice, and bananas, lesser quantities of molasses, raw coffee, coconuts, grapefruit, and bitters, and a small quantity of lime products.

Sugar.—Since 1931 sugar has been the main agricultural export of the Colony, Great Britain and Canada being the only markets.

Canada took 25·4 per cent of total exports during the pre-treaty period

1921-25 but, after the Canada-British West Indies Trade treaty came into force, and Great Britain went on the gold standard, an average of 50·7 per cent of total exports went to Canada from 1926 to 1931. In the latter year Great Britain went off the gold standard, and there was the general depression. Exports to Great Britain tended to increase, and, with wide fluctuations, the average proportion exported to Canada per annum up to 1938 was about 32·1 per cent of the total.

Cocoa.—During the five years preceding the coming into force of the Canada-British West Indies Trade Treaty, cocoa shipped to Canada accounted for about 3 per cent of the total value of cocoa exports. During the treaty period 1926-38, however, the proportion rose to 8·1 per cent of the average annual value of total exports.

Other Products Exported to Canada

In addition to sugar and cocoa, a number of agricultural products of lesser importance were exported to Canada during the pre-war years, as shown in the accompanying table of exports for the years 1937 and 1938.

Grapefruit Juice.—Beginning about 1934, exports of grapefruit juice increased steadily, until in 1938, with a value of \$75,225, it was the third most important export to Canada.

Bananas.—This was another product exports of which began in the 1930's, making use of the refrigerated space provided on vessels of the Canadian National Steamships Company.

Molasses.—Exports of molasses to Canada were unimportant until in 1931, with the falling-off in the market in the United States, they began to increase, with wide fluctuations from

Trinidad Exports

	1937		1938	
	Total	Canada	Total	Canada
Grapefruit juice	\$ 36,817	\$ 32,256	\$ 76,546	\$75,225
Bananas	76,930	32,034	44,038	44,004
Molasses	220,576	116,090	139,441	36,397
Raw coffee	134,758	100,768	40,488	26,779
Coconuts	99,331	33,778	32,573	21,714
Grapefruit	187,539	10,405	318,243	19,318
Bitters	112,336	9,081	113,859	4,268

year to year. During the eight-year period 1931-38 inclusive, Canada purchased about 42·3 per cent of the total exports valued at \$141,138. The remainder went to the United Kingdom.

Raw Coffee.—During the immediate pre-war years Canada took about 70 per cent of Trinidad's total exports of raw coffee, which averaged in value \$73,943 per annum from 1930 to 1938.

Grapefruit.—The main market for grapefruit is the United Kingdom, but from 1934 onward a moderate quantity was shipped to the Eastern Provinces of Canada. Canada has taken about 7·8 per cent of the total exports, having an average annual value of \$183,040 from 1934 to 1938 inclusive.

Bitters.—Only small quantities of this product have been shipped to Canada, the Canadian tariff on its spirit content having been prohibitive.

Summary

From the foregoing review of Trinidad's exports it is apparent that the

Canada-British West Indies Trade treaty in providing a protected market for Trinidad's products, exercised a stabilizing effect on the Colony's trade during the depression period from 1931 onward. It gave an assured market for the Colony's sugar, the production of which is the main source of employment.

As the production of cocoa deteriorated, the treaty provided in Canada a useful market for alternative crops such as grapefruit (in the form of grapefruit juice) and bananas. It seemed to maintain also the continued production of coffee.

The war years have brought a demand for higher wages and, therefore, higher costs of production for sugar, which more than ever is the main cash crop of the Colony and more than ever depends on protected markets. Conditions in cocoa production have continued to deteriorate, and the need for markets for alternative crops, for the grapefruit juice, etc., is even greater than in pre-war years.

INDIAN MARKET FOR BOX SHOOKS

By PAUL SYKES, *Canadian Trade Commissioner at Bombay*

(One rupee equals approximately \$0·335 Canadian)

There is a very limited market for box shooks in India. No statistics of the output or imports of these lumber products have ever been published, which is indicative of the comparative insignificance of the trade. Certain quantities were at one time imported and to some extent manufactured locally for use in making up tea and rubber chests, but there has been a strong trend towards the use of plywood for such containers and, apart from the present necessity for using substitutes, which has induced a temporary increase in box-shook production and imports, it is unlikely that these goods will be in large demand in future.

Lumber Import Trade

A general review of India's import trade in lumber and its products may

serve as a helpful background to an investigation of the position from the viewpoint of Canadian exports to India of such goods. Supplementing her own production of various softwoods, mainly from coniferous forests, and a variety of hardwoods, India's extensive requirements of lumber are drawn mainly from Burma in the form of teak logs and sawn lumber. The value of this trade amounts to over 70 per cent of the value of an average year's imports of all woods and ordinary wood manufactures. Miscellaneous woods, including other Burma hardwoods and similar varieties purchased from Malaya, Indo-China, and other eastern countries, are the second most important class of imports. Other items in this trade, in descending order of importance, are miscellaneous wood

manufactures, plywood, deal and pine wood, logs for the manufacture of match splints, railway ties, and sandalwood. The following table shows the composition of this trade for the fiscal year 1938-39:—

Imports of Wood and Wood Manufactures into India by Types, 1938-39

Teak	Rs.20,849,165
Other wood*	3,175,166
Misc. wood manufactures....	1,618,548
Plywood	1,244,783
Deal and pine wood	1,084,022
Logs for matchwood	586,168
Sleepers	64,847
Sandalwood	37,780
Firewood	8,249
Jarrah	263
Total	Rs.28,608,891

* Mainly Burma hardwoods other than teak.

With regard to the countries of origin, the following table shows the distribution of the trade during 1938-39, with the omission of countries of minor importance; it will be noted that Burma controlled practically 80 per cent of the business, while Canada's share was extremely small:—

Imports of Wood and Wood Manufactures into India by Countries, 1938-39

Burma	Rs.22,832,170
Japan	820,161
United States	819,759
United Kingdom	694,647
French Indo-China	441,660
Yugoslavia	369,434
Poland	359,212
Java	338,463
Sweden	321,975
Germany	305,080
Canada	140,394
Total	Rs.28,608,991

Imports from Canada

As indicated above, India's imports of lumber from Canada are limited. For 1938-39 they were valued at Rs.140,894 (approximately \$47,000), which was made up of Rs.77,198 (\$26,000) for "deal and pine wood", Rs.59,709 (\$20,000) for "other wood", and Rs.3,487 (\$1,000) for "miscellaneous wood manufactures". These figures compare fairly closely with Canadian statistics of exports of lumber and its products to India, which over the five

years 1935 to 1939 fluctuated in value from \$3,300 to \$55,000 and averaged about \$30,000. The bulk of this value was made up of shipments of Douglas fir planks and boards, with small quantities of square timber of the same type and minor quantities of hardwood logs and some miscellaneous sawmill products. No box shooks have been included in this trade in any recent years.

Box Shook Imports

As noted above, certain quantities of box shooks have been imported into India, but the trade is of limited extent. It is probable that a part of the value of imports of wood and wood products credited to Japan in a foregoing table represents shooks for the manufacture of tea and rubber chests or similar containers, and it is possible that limited quantities of shooks, possibly of special types, have also been purchased from the United Kingdom and the Continent. However, plywood has been accepted for many years past as a superior material for use in the making up of such containers, and the use of wooden shooks is now comparatively uncommon.

Tea-chest Trade

The extent of India's trade in tea chests is indicated by the following table showing the value of imports of whole chests or component wooden and plywood parts from principal countries:—

Imports of Wooden Tea Chests and Parts into India 1938-39

United Kingdom	Rs. 6,508,786
Estonia	701,967
Finland	540,108
Latvia	420,864
Germany	327,001
Japan	280,326
Total	Rs. 8,992,022

Outlook for Canadian Sales

The foregoing review will indicate the limited extent of India's import trade in box shooks and the probability that, never having sold such goods to the Indian market in the past, Canada's opportunity of developing worth-

while business in these goods in future cannot be considered as particularly bright. In support of this, it may be stated that heavy declines in wartime imports of wood and its products, and both the increased interest and study of the properties of local woods and of methods of treatment and utilization,

appear likely to exercise a severe restriction on any resumption in this trade. Unless Canadian producers can offer a product that is unusually cheap and is superior to domestic and Japanese or other foreign types, the prospects for development of any worthwhile trade are not encouraging.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

FACTORY OUTPUT

A current report by the Commonwealth Statistician estimates the output of Australian factories in 1942-43 as £850,348,656, being an increase of 69·9 per cent over the year 1938-39. (For the purposes of this report, output is defined as the combined values of fuel and raw materials used, plus the value added by factory processing).

Following is a more detailed analysis of the figures for the two years mentioned:—

	1938-39	1942-43
	Number	Number
Factories	26,941	26,414
Employees	565,106	759,044
	Pounds	Pounds
Wages	106,743,062	208,866,843
Fuel used	15,699,921	25,626,522
Materials used	281,303,446	472,720,078
Production	203,416,610	352,002,056
Output	500,419,977	850,348,656
Building value	130,920,414	167,593,947
Plant value	143,662,127	176,965,326

Reorganizations are changing the picture of production for direct war purposes, due to the completion of large reserves of explosive requirements. Nine government munition factories have been diverted to the production of civilian goods. These are being operated by private firms for government departments and are producing such lines as half-hose, plastic buttons, essential civilian garments, tire cord and cotton tweed, waterproof garments, mosquito nets, woven and knitted goods.

India

POST-WAR PLANS FOR RAILWAYS

Steps have been taken to prepare a basic plan for post-war railway development, which could be enlarged later to keep pace with other post-war schemes, according to *Indian News and Notes*, issued by the Indian Department of Information and Broadcasting. This basic plan aims at providing for rehabilitation, repair and replacement of workshop machinery, locomotives, freight cars, coaches, permanent track and other equipment. It provides also for a 10-year program for the construction of 5,000 miles of new line.

Newfoundland

CANNED LOBSTER

While canned lobster production figures for 1944 are not yet available, the indications are that production was almost twice that of the 1943 season. One hundred and forty-six factories were in operation during the year compared with 111 factories in 1943. In that year your production amounted to 1,900 cases, whereas 2,700 cases is expected from the 1944 season.

GASOLINE MARINE ENGINES

The manufacture of low-horse-power gasoline marine engines for fishery purposes has been undertaken in Newfoundland. A sample engine has been built and machinery secured for the production of more units. At the present time there is a strong demand for these engines, as a result of fishery equipment having been neglected for some years while men were employed on base construction.

New Zealand

INCREASED MEAT PRICES

Arising out of the agreement with the United Kingdom Government concerning payment for meat and dairy produce exports, by which Britain is to buy at increased prices as well as pay a lump sum to make up for past inadequacies, the New Zealand Government announced the increased prices to be received during the 1944-45 season by the farmers.

The new prices are the result of negotiations between the New Zealand Economic Stabilization Commission and the Meat Producers' Board. The schedule, in part, is as follows:—

Lamb.—To 42 lb., 9d. per lb.; 43-50 lb., 8½d.; 51-56 lb., 8d. per lb.

Crossbred.—To 42 lb., 8½d.; 43-50 lb., 8½d.; 51-56 lb., 7½d. per lb.

Seconds.—To 42 lb., 8½d.; over 42 lb., 7½d. per lb.

Wethers.—Prime, to 64 lb., North Island, 5½d.; South Island, 5½d.; seconds, to 64 lb., 5½d. and 5d. per lb.

Ewes.—To 64 lb., 3½d. per lb.

Ox.—G.a.q., all weights, 40s.; and f.a.q., all weights, 38s. per 100 lb.

Heifers.—G.a.q., all weights, 39s., and f.a.q., all weights, 34s. per 100 lb.

Cows.—G.a.q., all weights, 33s. 6d., and f.a.q., all weights, 28s. 6d. per 100 lb.

Boner.—Ox, bull, cow, heifer, 23s. per 100 lb.

The new prices involve approximate increases on lamb, wethers and ewes of ½d. per lb.; on quarter beef, 6s. per 100 lb.; and on boner beef, 1s. per 100 lb. There is a new rate for f.a.q. cows for which there has been no schedule previously. The increases are based on the previous year's weight ranges. There being fewer ranges in 1944-45, the returns to the farmers will be even greater than the new prices would indicate.

In order to avoid the anomaly of two price schedules, one for export and one for the local market and at the same time to prevent a rise in local prices, it was decided to base all meat prices on the export schedule and to reimburse from the Meat Industry Act the sum necessary to maintain the existing level of local meat prices.

United Kingdom

SHIPBUILDING AND ENGINEERING

The lessening of pressure for the completion of contracts in the shipbuilding and engineering industries in the West of Scotland enabled employers to close down their establishments for four days at the New Year (the traditional winter holiday period in Scotland), writes G. B. Johnson, Canadian Trade Commissioner at Glasgow. While shipbuilders have still a substantial amount of Admiralty tonnage on hand, work for this Department is apparently being allowed to taper off following the recent decision to abandon the policy of standardized ship construction for wartime use (under Admiralty control), and shipowners are free once more to place orders suitable for their own requirements, subject to the approval of the Admiralty in the event that these ships may still be needed for war purposes. Up to the present there does not seem to have been a great flow of orders for merchant ships for private ownership because of the uncertainty concerning conditions that will prevail after the war. Meanwhile the shipyards have enough orders on hand, naval and merchant, to keep them busy for a considerable time.

The Clyde Navigation Trust has undertaken, subject to government approval and possibly also a grant in aid from the Treasury, the construction of a new quay of more than 4,000 feet in length and the widening of the river by 150 feet in front of the quay. The total cost is estimated at £2,235,000. The site is the southern bank of the Clyde, extending from the Trust's Renfrew workshops to the more westerly of the two contemplated Shieldhall docks. The trustees consider this harbour development necessary in view of the growing importance of that district in which, of twenty-nine industrial sites extending to over 200 acres, nine are already occupied and eleven the subject of negotiation or inquiry.

SCOTTISH HYDRO-ELECTRIC DEVELOPMENT

When the North of Scotland Hydro-Electric Scheme, preparations for the construction of which are now going forward, is brought into operation, it is probable that electro-metallurgical and electro-chemical industries will be established in the Highlands, such as the production of calcium carbide, certain ferro-alloys, magnesium aluminium, silicon carbide and other electro-thermal products.

The North of Scotland Hydro-Electric Board has now been in existence for sixteen months. It is a public authority like the Central Electricity Board or the Clyde Navigation Trust and has been charged with all future water-power developments in the Highlands of Scotland.

In a recent statement the Chairman, Lord Airlie, said the Board had the important duty of paying their way, as they have no government grant, although they may apply to the Treasury for a guarantee by means of which money could be borrowed at the lowest rate of interest, which in turn would reduce the cost of electricity. If the

guarantee had to be requested, then the repayment would be a charge on the Board's revenue of future years.

Lord Airlie said that electricity could not be supplied in the distribution area of sparse population at a profit because, if prices were too high, consumption would be low, and the Board would lose money. If the prices were low—as the Board intended to make them—there would be a greater consumption and consequently more amenities within people's reach, which was what the Board wanted, but again there would be a loss of money. The case of bulk supplies and supplies for industry was different. There, owing to the larger scale of demand, the cost of production would be low, and supplies would be given at about cost price so as to encourage development and to attract new industries. Finally, the Board would sell current to the Central Electricity Board, surplus current for the use of consumers of the Lowlands of Scotland, which would enable the Board to pay its way.

The Board are now surveying major and local schemes of development in many areas covered by their mandate.

FURTHER MODIFICATION OF DECENTRALIZATION PLAN FOR EXPORTS TO LATIN AMERICA

Effective April 1, 1945, a further number of commodities will be removed from the decentralization plan in respect of the following countries:—

Bolivia, Brazil, Chile, Cuba, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Haiti, Nicaragua, Panama, Paraguay, and Peru.

The commodities to be exempted are as follows:—

Iron Products.—Fourdrinier wire, tacks and nails.

Wood and Wood Products.—Balsa manufacturers; storage battery separators, blanks, etc.; dimension stock; spool blanks; wood

blocks; bungs, wood; wood floor blocks; wood paving blocks; ladder stock; shoe last blocks; wood match blocks; shuttle blocks; tank stock; rattan; veneers; lath; shingles; doors; mouldings; Venetian blind slats; oars and paddles; handles; pencil slats; logs and timber.

As from April 1, it will no longer be necessary for an exporter to obtain a "preference request recommendation" from Brazil or an "import recommendation" from any of the other countries named, for any of the commodities listed, before applying for an export permit.

RAW MATERIAL TRENDS

From *The Times Trade and Engineering Supplement*

So far as raw materials are concerned, the new year opened under remarkably favourable conditions. Twelve months ago, owing to the completion of most war-expansion programs, supplies were rapidly approaching their peak, but there was still a need for accumulating stocks as an insurance against unforeseen emergencies. In the spring of 1944, however, the first genuine surpluses made their appearance, and, as labour and industrial plant remained scarce and could not be freed for unessential civilian production, steps had to be taken to adjust the output of raw materials in a downward direction.

For the great majority of primary products the output of 1944 has been lower than in the preceding year. Nevertheless, reserve stocks have been greatly increased, and with few exceptions, such as plantation rubber, tin, timber, paper, leather, and coal, the present supply position can almost be described as normal. There is no longer any likelihood that war production and essential civilian production will be hampered for lack of raw materials, but the current year will probably see a partial reconversion of industry to its peacetime basis, and as a direct result, a higher standard of industrial activity than has been recorded in recent months. The demand for raw materials should thus increase.

On the other hand, raw materials production may continue to decline, for, apart from the removal of production incentives, such as premium prices, and the shortage of labour in the raw materials industries, especially mining, the after-effects of forced production in 1942 and 1943 are now being reflected in current production. Under such conditions the maintenance of the present widespread abundance of raw materials is by no means guaranteed, and controls will almost certainly have to be maintained throughout 1945 to prevent difficulties.

From Scarcity to Plenty

For some materials, however, supplies throughout the reconversion period appear more than secured, and the curtailment of production has become inevitable. The list of these materials includes, in particular, light metals, copper, and tungsten, which earlier in the war ranked among the rarest strategic products, and to-day are more abundantly available than any other commodities. Light-metal production has already been severely cut in this country and in North America, and the first supplies are now being offered for regular civilian production and restocking. The accumulation of copper stocks and the availability of ample supplies of secondary copper have forced the British Government to revise its bulk purchases in Northern Rhodesia and Canada as from January 31, and to order a curtailment of production in the areas under its control, while the tungsten surplus is being tackled by sharp reductions in the buying prices. . . .

Tungsten

The supply of tungsten, one of the most important steel-alloying elements, caused much brain-racking earlier in the war because China, normally the world's largest source of supplies, and Burma, the leading supplier to the British Empire, have since 1942 been either isolated or under Japanese control. High premium prices, however, stimulated production in the British Empire, Latin America, and the United States to such an extent that the United Nations now have a reserve amounting to more than one year's requirements. As long ago as the beginning of May, 1944, the United States War Production Board ordered a reduction in buying prices for tungsten ore, and this example has now been followed by the British Ministry of Supply. . . .

Lead and Zinc

After the major cuts in the production of aluminium, magnesium, and copper, the question is frequently asked whether the output of the other non-ferrous metals, too, will soon be reduced. There is not much likelihood of this. Supplies of tin, owing to the loss of the rich Far Eastern producing countries to Japan, are, of course, inadequate and every effort must be made to keep production at the highest possible level. Supplies of lead and zinc are far more plentiful, and, indeed, adequate for present needs, but here future requirements and the fact that Australia, the largest source for lead and zinc outside the United States, cannot be fully utilized for lack of shipping, enter the account.

Production of these two metals has been stimulated during this war, especially in Canada, but total world production in both cases did not surpass the limit of 2,000,000 metric tons per annum during the war. The pre-war maximum output for zinc was 1,750,000 tons and for lead slightly less than 1,725,000 tons. The wartime additions to world capacity is likely to be counterbalanced by post-war import requirements of the United States, which will no longer be self-sufficient, even if post-war demand should not rise much above the pre-war rate. Moreover, both lead and zinc are im-

portant building materials and are required in vast quantities for the production of pipes, plates, paints, and protective coverings. Here, therefore, large stocks for post-war rehabilitation must be accumulated, and the housing schemes rapidly absorb those quantities of lead and zinc freed by reductions in munitions requirements.

Oil

World production of oil, which earlier in the war was seriously hampered by a pronounced shortage of tankers, appears to have established a new peak in 1944. There have been steep advances in production in most areas, the most outstanding having been achieved in Venezuela. This republic is believed to have produced over 250,000,000 barrels of crude oil (roughly seven barrels to the ton) in 1944, compared with less than 200,000,000 barrels in 1943 and the previous maximum of 223,000,000 barrels in 1941. At present production is at an annual rate of almost 300,000,000 barrels, and further advances are expected in the new year. Venezuela thus appears to have taken Russia's traditional position as the world's second largest oil-producing country, and it will almost certainly become the world's largest oil-exporting area as soon as international conditions return to normal.

REGULATIONS FOR EXPORT SHIPMENTS FROM CANADA

British West Indies (Eastern Group) and British Guiana

Non-foodstuffs.—With reference to the amended instructions for exporters of commodities other than foodstuffs to the Eastern Group of the British West Indies and British Guiana, published in *Commercial Intelligence Journal* No. 2143 (February 24, 1945), page 172, under new arrangements, effective March 1, 1945, exporters are no longer required to make application for shipping space to the British Colonies Supply Mission, New York, but will deal solely with the British West Indies Shipping Division, Department of Trade and Commerce, Ottawa. Further, applications will be required only in triplicate.

The new simplified procedure is as follows: —

1. Exporters will complete and mail three copies of the standard space application form to the British West Indies Shipping Division, Department of Trade and Commerce, Ottawa.

2. The British West Indies Shipping Division will return one copy with a reference number affixed and will program the cargo on the first available ship.

3. The steamship companies will issue contracts and will advise the exporter regarding loading dates, etc.

TRADE REGULATIONS AND TARIFF CHANGES

Australia

IMPORT LICENSING REGULATIONS RELAXED

Mr. K. F. Noble, Acting Canadian Trade Commissioner at Sydney, writes under date January 26 that further relaxations in the Australian Customs (Import Licensing) Regulations have been announced to take effect from January 1, 1945.

Of chief interest to Canada is the amendment permitting alarm clocks from non-sterling countries, classifiable under Tariff Item 318 (A)(3), to be imported up to 100 per cent of the value of imports during the base year, ended June 30, 1939. These were previously under administrative control. Other non-sterling imports on 100 per cent quota are: temperature control instruments, classifiable under Tariff Item 176(K)(2)(b); sprinklers for automatic fire-sprinkler systems; fire hose; and fibreboard for use in the manufacture of bags, suitcases and the like; while materials used in the manufacture of perfumes, classifiable under Tariff Item 288, and synthetic perfumes have been placed on a 50 per cent quota.

Goods from non-sterling countries for which licences may now be issued freely are: dates; piston pins, rings and valves for stationary and marine engines; thallium sulphate; various musical instrument parts and accessories and replacement parts for military band and orchestral instruments, pipe organs and pianos.

Products of sterling origin that are now exempt from licensing include piston pins, rings and valves for stationary and marine engines; sprinklers for automatic fire-sprinkler systems; pencil-sharpener; vegetable black; roasting dishes, assay furnaces, crucibles n.e.i., etc.; ammonium carbonate; zinc chloride (granulated); tannic acid; lead acetate; barium carbonate; fire

hose; insulating boards for electrical apparatus and appliances; fibreboard for use in the manufacture of bags, suitcases and the like; replacement parts for agricultural machinery and implements; replacement parts for military band, orchestral and musical instruments; metal parts for reaper threshers, stripper-harvesters and other specific agricultural machinery.

Coir mats and matting, when of sterling origin, have been placed on a 200 per cent quota; manufactured stationery, except Christmas and other greeting cards, 100 per cent; materials used in the manufacture of perfumes (classifiable under Tariff Item 288), synthetic perfumes, writing ink and ink powders, and printing and stencilling ink, 50 per cent quota; gloves and chemical and sticky fly papers, 25 per cent quota.

The licensing period which began on January 1, 1945, for goods of sterling and non-sterling origin will be of six months' duration.

The quota of cotton piece-goods allocated for export to Australia from British India for the quarter ending March 31, 1945, is 10,500,000 yards, and the cotton yarn quota for the same period is 150 tons.

Chile

DUTY REDUCED ON PULP

Mr. M. J. Vechsler, Commercial Attaché, Canadian Embassy in Santiago, writes that under a decree published January 10, 1945, the duty on imports into Chile of "mechanical or chemical pulp, not dyed, for the manufacture of paper or explosives, and not usable for other purposes, and waste paper for the manufacture of paper or cardboard" has been reduced from 5.00 gold pesos to 2.66 gold pesos per 100 kilograms (from about 53 to 27 cents per 100 pounds).

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 26, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 26, 1945, and for the week ending Monday, February 19, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 19	Nominal Quotations in Montreal Week ending Feb. 26	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.866 Bid Offer	4.4200 4.4800	4.4200 4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2758	.3304 .2775	3½
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½
Colombia	Peso	.9733	.6343	.6343	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	—
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

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200

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South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office).

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

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London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

London: J. A. Langley, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucom.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

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Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

201

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TABLE OF CONTENTS

	Page		Page
Business Conditions in the United States in 1944	201	The Problem of United Kingdom Exports	210
Motor Vehicle Trade in Ireland.....	202	Economic, Trade and Production Notes	212
Market Conditions for Dehydrated Vegetables in Mexico, Guatemala, El Salvador and Honduras.....	206	Resumption of Trade with Belgium	214
Peruvian Market Conditions for Box Shooks and Lumber	208	Canada's External Trade in January	214
		Foreign Exchange Quotations	217
		Condensed List of Publications.....	218
		Commercial Intelligence Service	219

BUSINESS CONDITIONS IN THE UNITED STATES IN 1944

By B. C. BUTLER, *Canadian Trade Commissioner at New York*

Business indices leave no doubt that 1944 was a record year for the United States. With 11 million persons in the armed services, 52 million workers increased the production of goods and services in 1944 by 80 per cent over 1939, to a total of \$197 billion. Half of this vast output was for government account to meet the demands of the nation's war effort.

Domestic consumption was fully 50 per cent greater than in 1939 and this high volume of domestic buying meant record business for wholesalers, retailers and other distributors. Thus the national income rose to \$158 billion and, despite higher taxes and the rising costs of goods and services, savings—one-third in the form of war bonds—totalled \$35 billion.

The cost of living index rose above 126 as compared with the 1935-39 average of 100.

Foreign Trade

The export trade of the United States broke all records in 1944, reaching a value of \$14 billion, of which 80 per cent was under lend-lease, as compared with \$12.7 billion (of which 80 per cent also was lend-lease) in 1943. Imports were valued at \$3.9 billion as compared with \$3.3 billion in 1943.

Business Indices

The following table summarizes some of the significant business indices (average 1935-39=100 except where otherwise indicated) as reported for the

year by the United States Department of Commerce:—

	November, 1944	November, 1944	
Industrial Production	233	Wholesale Prices (1926=100)	104.4
Iron and steel	201	Cost of Living	126.5
Lumber and products	124	Purchasing Power of the Dollar as measured by:	
Machinery	427	(a) Wholesale prices	77.1
Non-ferrous metals	238	(b) Cost of living	79.1
Stone, clay and glass products.....	164	(c) Retail food prices	73.2
Transportation equipment	697	(d) Prices received by farmers... ..	54.3
Automobiles	228		
Alcoholic beverages	168		
Chemicals	312		
Leather and products	117		
Manufactured foods	153		
Dairy products	108		
Meat packing	175		
Processed fruits and vegetables.....	136		
Paper and products	143		
Petroleum and coal products	265		
Printing and publishing	105		
Rubber products	233		
Textiles and products	152		
Tobacco products	137		
Minerals	144		
Metals	124		
Munitions (1943=100)	109		
Car Loadings	144		
Incomes: Non-agricultural	238		
Agricultural	267		
Retail Prices	139.4		
Retail Sales	191.8		

Outlook for 1945

With the realization that the war will continue to require the nation's maximum efforts, the emphasis in 1945 will be upon the maintenance and increase in the production of critical items. The expected reductions in the supply of goods for the domestic market will exert a further strain on the price ceilings and increase the already apparent inflationary dangers, unless stringent measures are adopted to siphon off the increased purchasing power into savings and to encourage greater co-operation from the public in the support of the various stabilization measures and price controls.

MOTOR VEHICLE TRADE IN IRELAND

By E. L. McCOLL, Canadian Trade Commissioner at Dublin

The first owners of motor cars in Ireland were the landed gentry and the wealthier business and professional men but, until after the close of the Great War in 1918, there was no widespread adoption of the new form of transport.

However, so rapid has been the development of its use that to-day motor transport, together with its associated occupations, provides the largest employment-giving commercial activity in the country. The census figures for 1936, the latest available, show that almost 20,000 persons were in that year employed as motor transport workers.

One of the most reliable indices to the development of any motor market is the consumption figures for petrol over a given period. In the early days of motoring in Ireland, petrol consumption would not have been more than from one to two million gallons per year; the figures for 1938 show

that over 40,000,000 gallons of motor fuel were consumed. This does not include that used by most of the public passenger-carrying buses, which is Diesel oil.

For the same year the value of such imports as general motor goods, including petrol, lubricating oils, motor vehicles (private and commercial), and all motor accessories and spare parts is given as approximately £3,000,000. In 1940 there were about 73,000 motor vehicles in Eire, some 10,000 of these being of the commercial type.

Public Transport

In the early days of public transport the pioneer work was undertaken by a relatively large number of localized bus services that functioned without any co-ordinated plan but managed nevertheless to provide the public with a new and much appreciated form of conveyance. The road map of Ireland

for 1929 shows how thoroughly bus routes covered the whole countryside and linked up not only the cities and chief towns but also towns of moderate size and the great majority of the larger villages. As early as 1924 these routes were served by 147 companies which between them operated buses for a total of 24,000,000 vehicle miles, carrying 50,211,000 passengers in the year.

In addition to the wide network of smaller routes, there were numerous long-distance trips from the principal cities, such as Dublin, Cork, Limerick, etc., to each other and to the more important towns. Since all these private companies were taken over by the Great Southern Railways Company (now known as Corus Iompair Eireann) under the Road Transport Act of 1933, all the rural public passenger-carrying transport services in Eire have been operated by that company. Under the recent amalgamation of the G.S.R. and the Dublin United Transport Company, brought about by the Road Transport Act of 1944, all such services will be under unified control.

At the outbreak of the present war the licenced road passenger services in Eire — metropolitan, suburban, and long-distance country—operated between 800 and 900 buses which in 1940 carried 159,754,293 passengers for 32,707,194 vehicle-miles run. In addition to these public motor transport facilities, there are a number of motor coach services used for touring, etc., and a number of cross-border services between Eire and Northern Ireland.

About the time that motoring was introduced, the pastime and sport of cycling had a great vogue in Ireland, and all over the country a number of cycle traders and repair shops had become established. It was this body of businessmen who provided the first motor-car and commercial-vehicle dealers and motor garages and were the real pioneers in the provision of adequate services to the public in the sale and maintenance of cars. To-day every town has its up-to-date garage where accessories are stocked and where all classes of repairs are made

at moderate charges. In some of these service stations the equipment includes hydraulic lifts, charging plants, lathes, cylinder-boring tools, compressors, vulcanizers, and a wide range of accessories.

Influence of the Tourist Trade

With the government support extended to Irish tourist development under the Tourist Traffic Act of 1939, rapid expansion of that industry is expected in the post-war period, with an accompanying demand for more motor-coach luxury services and an extended system of small but first-class roads connecting the more remote areas in the coastal and wilder districts. Motoring has been perhaps the most important factor in the development of the tourist business and in the exploitation of the scenic wealth in which this country abounds.

Government backing for arterial and second-class road-making has been made a part of post-war policy, and the Minister for Local Government recently outlined his Department's plans in this connection. Most of the country's motor roads are first class, both as regards surface and accident-preventing visibility, although none of them can compare with the more modern European national highways.

An increasing number of visitors to Ireland must be expected to bring in their own cars and, although motor vehicles are subject to a duty on being imported into Eire, those whose cars or motor cycles are brought in for holiday or touring purposes only may, on compliance with certain formalities, obtain free entry for their vehicles and also be exempted from road tax for a certain period.

Trade Organizations

The trading regulations governing all trade transactions are laid down and enforced by the trade organizations—"the Society of Irish Motor Traders" and "the Irish Motor Traders Association". The latter is an employers' trade union, and the two bodies operate jointly from their headquarters at 82 Merrion Square, Dublin. The latter

has the support of legislative authority and enforces the penal regulations attaching to the trade "stop list".

The organization of the motor trade and its affairs is probably more complete in Ireland than in other countries. No one whose name is not on the Society's official list of recognized members of the motor trade may conduct a trade sale of any motor vehicle or of any class of recognized motor-trade goods. Further, no person may set up in business as a motor-vehicle concessionaire, motor factor, manufacturers' representative for specialized goods, retailer of motor goods, or garage or service station proprietor and hope to do any business unless he complies with the trading regulations laid down by the council of the Society. These define the trade status of the different classes of traders and specify the conditions to be fulfilled in relation to space, site, equipment, etc., for garage workshops and showrooms. It is probably the relatively small size of this country that has made possible such a detailed and complete organization of the motor trade. The Irish body has at all times received full support from the British organization (the Society of Motor Manufacturers and Traders Limited).

An Eire branch of the Institute of the Motor Trade confines its activities to arranging lectures on motor engineering and motor-trade practices and is, therefore, solely an educational body.

Under an arrangement between the Society of Irish Motor Traders and the Ministry of Education in the Eire Government, the training and examination of apprentices to the motor trade has now been placed on a basis satisfactory to the Government, the trade, and the boys' parents. Examinations are held under the auspices of the Ministry of Education in June of each year.

Popular Makes of Car

Not being a manufacturing country, Eire has never produced anything in the nature of a "national car". Of the many different makes of motor vehicles to be seen on the roads, with the ex-

ception of Fords, there was none that had not been imported. Prior to the outbreak of war, motor manufacturers of many countries were represented locally: England, America, Canada, France, Belgium, Italy, Germany, etc. The various makes of cars in order of their popularity with the public (as determined by sales) ranked for a number of years immediately prior to the war as follows: Ford, Morris, Austin, Vauxhall, Dodge, Hillman, Standard, Chrysler, Hudson, etc.

The popularity of the Ford in this country is in some measure due to the fact that it is the only car manufactured in Eire. The fine works and plant of Messrs. Henry Ford & Son Limited, at Cork, were completed in 1917 and since then have manufactured cars, commercial vehicles, and tractors for sale in Ireland and elsewhere.

Most of the other makes were imported as complete vehicles up to 1933. In that year the assembly of motor vehicles in Eire from imported parts was begun and has been continued since as part of the Government's implementation of its industrial policy.

Of commercial vehicles of heavy tonnage, the most popular were Leyland, Dennis, and Morris-Commercial, and, in the lighter tonnage and van types, Ford, Morris, Austin, Dodge, and Bedford.

The restriction of the importation of complete motor vehicles was applied gradually and increasingly as the development of assembling proceeded. Although inevitably accompanied by innumerable government orders, modifications of orders and tariff changes, the new policy provided a considerable amount of employment for highly skilled workers and gave fresh impetus to several technical trades such as welding, upholstery and spray-painting.

Trading conditions also became more stabilized, since the great variety of motors previously imported, some in very small numbers, was reduced to those makes for which the steady demand was sufficiently large to justify the capital expenditure involved in set-

ting up an assembly works. The importation of single motor vehicles by private persons ceased automatically, as such importations were accompanied by the payment of heavy import duties.

Motorists' Clubs

Public-motoring interests are catered for by the Royal Irish Automobile Club, with headquarters at Dawson Street, Dublin, and by the Irish branch of the Automobile Association, whose head offices are located at Suffolk Street, Dublin. The latter maintained road patrols for the convenience of its members, and both organizations assist motoring visitors in conforming with the regulations concerning the importation of private motor vehicles from foreign countries; these include triptyques, international certificates, customs duty, deposit, registration, etc.

Future Prospects

During the last three years public transport has been severely curtailed, owing to the shortage of rubber, petrol, and spare parts. Private motoring has ceased, only clergymen and doctors being permitted to licence their cars and draw a limited petrol allowance. Most owners have laid up their cars and are looking forward to the time when they can once more enjoy them. The removal of the restrictions on motoring will, however, inevitably entail

a severe strain on the country's servicing stations, as most of these cars will require careful overhauling before they are road worthy. Batteries and tires will in many cases have been worn out, and considerable quantities of tools and spare parts will be in demand. The Trade Commissioner's Office at Dublin has already received inquiries for Canadian tools, electrical machines such as battery charging sets and drills, and machines for valve-refacing, cylinder-boring and other operations. Many special tools will also be required when the import of cars for assembly in this country is resumed.

The far-reaching plans for improvement in the road system which are to be implemented at the close of hostilities should give a fillip to the motoring industry, and the expansion of the tourist trade will also increase the demand for public and private transport, service stations, cars for hire, etc.

It is apparent, therefore, that there will be an extensive market for tools, garage equipment, and spare parts in this country in the post-war period, and the extent to which the motor trade will expand will be limited only by the rate at which imports can be obtained.

The accompanying figures of Ireland's pre-war imports of motor vehicles, parts and accessories, are taken from the Eire Trade and Shipping Statistics for 1938.

Imports into Ireland of Mechanically Propelled Road Vehicles, 1938

	No.	£
Touring motor cars, complete, including cabs	151	36,825
Motor tractors, agricultural	316	37,011
Other motor vehicles, not designed or intended for carriage of goods or persons, complete	24	20,216
Other aggregates, not including an assembled body shell.....	8,304	231,816
Chassis, imported separately, for touring cars.....	10	1,126
Chassis imported as parts at compounded duty rates:		
Motor bicycles and tricycles	250	8,741
Other vehicles	9,137	789,543
Other motor-vehicle parts and accessories (except rubber tires and tubes) .....	....	23,031
Engine, transmission and propelling gear assemblies.....	....	14,822
Rear-half axles, engine blocks, crankshafts, and piston connecting rods.....	....	11,690
Windscreens and component parts .....	....	12,824
Parts and accessories:		
Electrical .....	....	55,866
Non-electrical .....	....	166,570

MARKET CONDITIONS FOR DEHYDRATED VEGETABLES IN MEXICO, GUATEMALA, EL SALVADOR, AND HONDURAS

By C. S. BISSETT, *Commercial Secretary, Canadian Embassy, Mexico City*

The market possibilities for dehydrated vegetables in any of the above-listed four countries are negligible. This is due principally to the profusion of fresh vegetables and, in Mexico particularly, the recent establishment of a considerable number of fruit and vegetable dehydrating plants.

Because of the variations in altitude above sea-level to around 10,000 feet, these countries are able to produce practically throughout the whole year not only the usual selection of vegetables which are common in more northerly countries but also a fairly extensive range of tropical vegetables or other products serving the same purpose and which are comparatively unknown in more northerly latitudes. Not only is the production of a wide range of vegetables possible, but these can be marketed from various altitudes at varying periods of the year, which eliminates to a considerable extent the seasonal peaks of vegetable crops in the north which entail storage problems, market gluts and other problems that are more or less unknown in these territories. The fairly continuous supply of a wide range of fresh vegetables has prevented any particular development to date of the importation of dried or dehydrated vegetables of any kind.

Imports

This trade so far has been so unimportant that the import trade figures do not separately classify either dried or dehydrated vegetables. The only Mexican classification related to this trade is "vegetables, dried, salted, or toasted". This item includes vegetables of the kinds indicated that are imported from all parts of the world, but from 1934 to date the total import value in none of these years reached a figure of U.S.\$6,000. Of this amount an average of two-thirds to three-fourths was accounted for by dried vegetable

specialties from China, almost entirely for consumption by the Chinese colony. Although the dehydration industry is comparatively new in most countries, the sales prospects for dehydrated vegetables in these territories do not appear to be promising in any way in the light of the above factors as well as the comparatively new development of this industry in Mexico.

Mexican Production

Since the war began the nucleus of a fairly strong dehydration industry has been established in Mexico. At present a total of seventeen different dehydrating plants are operating under separate and distinct management. These are located principally in the states of Veracruz, Puebla, Chiapas, Tabasco, Michoacan, Jalisco, Sinaloa, and Mexico. This gives fairly complete coverage of the country and enables these factories to obtain supplies of fresh vegetables with comparatively short hauls from surrounding areas noted for the production of vegetables, both temperate and tropical. To date most of these plants have undertaken to process only two or three commodities, chiefly those that are available within their particular areas, and they do not carry on a general vegetable dehydrating business. Apart from these plants of limited capacity, geared solely for the specific products which they were built to handle, there are several others equipped to handle practically any fruit or vegetable suitable for dehydration on a commercial scale. The majority of these plants operate laboratories and experimental units in conjunction with their ordinary commercial production. One plant, for example, has five tunnel dryers and adequate equipment to grind or mill, pre-treat and cook, as well as a variety of separate operations necessary to process the fairly extensive range of pro-

ducts handled. Generally speaking, however, this industry has been established with an eye to export trade rather than to supplying the domestic market and, considering the profusion of locally grown vegetables almost the year round, the industry, other things being equal, should be successful in export markets. Fairly regular operation, with few troublesome seasonal peaks, should be possible. The raw materials are available and, as soon as transportation conditions make foreign markets available, this industry should make considerable progress.

Products Dehydrated in Mexico

The Mexican industry is at present in full-scale commercial operation for the following items: garlic and garlic seed, onions, chili peppers, beans, spinach, large capsicum, pepper, cocoanut, mushrooms, and bananas (flour, paste, sliced, and whole). In addition to the foregoing commodities, experimental work is being carried on in respect of the following: tomatoes, peas, garbanzos (chick peas), cabbage, sprouts, celery, potatoes, radishes, and carrots. There is little doubt that, as soon as markets can be established for this latter group of items, they will come into regular commercial production. The dehydration of some of them, such as tomatoes and any other vegetable with a high water content, may not be found practicable, but the Mexican industry even now is in a position to dehydrate on a commercial scale practically any vegetable for which this process may be found commercially profitable. Experimental work has already been carried on also with a great many fruits, both temperate and tropical, including melons of various kinds, but so far there has been no commercial production of these items. These plants, in addition to dehydration, are also combining the various processes of extraction, dehydration, and concentration.

Protection of Mexican Industry

In order to foster new industries, a Mexican law was passed several years

ago exempting such new industries for a period of five years from taxation and from customs duty on necessary plant and equipment and on raw materials necessary to production which must be imported from abroad. This permits a new industry to become well established before it is compelled to compete against imported products of the same class or kind and renders competition from the imported product considerably more difficult.

Considering the foregoing factors, it is unlikely that imported dehydrated products will be able to compete in Mexico with those produced locally, even if the taste of the people should run to dehydrated vegetables, which it does not. Some of the advantages of dehydrated vegetables are the possibility of quick preparation for consumption, the ease of storage, and the elimination of waste, but in these countries, where everything is done in a more or less leisurely manner, such factors are not of any real importance.

Brazilian Ten-Year Plan

The National Economic and Trade Council of Brazil has prepared a ten-year development plan, to be initiated immediately after the war. It provides for an estimated total expenditure of five billion dollars.

One-half of the sum is to be used for the development of Brazil's transportation system and for surveying its water powers. The plans for the former include improvement of existing highways, construction of new roads, standardization of the gauge of the existing railway mileage, acquisition of new railway rolling-stock, and improvement of ocean and river shipping facilities and of harbour installations and equipment.

Another part of the fund is to be set aside for agricultural and industrial development, the program for which is varied and extensive.

It is calculated that the carrying out of the development plan will result in a fourfold increase in the country's national income.

PERUVIAN MARKET CONDITIONS FOR BOX SHOOKS AND LUMBER

By W. G. STARK, *Commercial Secretary, Canadian Embassy at Lima*

(One Peruvian sol is equal at current rate of exchange to 17·1 cents Canadian; one kilogram is equivalent to 2·2 pounds.)

Box Shooks

Prior to the outbreak of war there was a considerable market in Peru for imported box shooks. These were chiefly used for making cases to pack gasoline and kerosene products, which use has now largely been supplanted by the development of bulk-storage facilities in various districts of Peru.

The appended statistics, the latest available, show imports for box shooks by countries of origin in 1938 and up to October, 1944, the latest published. Also included are figures of imports by ports through which these shooks were entered into Peru during the period under review. These are described in the Peruvian tariff as "miscellaneous woods, large and small boards, also framing of common wood, plain, prepared for cases, whether or not pokered or planed, including unassembled packing-cases."

Imports of Box Shooks, 1938-44

Basic duty: 0·02 Peruvian sol per kilogram gross weight.

	Kilos	Soles
1938—		
Germany	2	16
Canada	4,072,656	848,799
Chile	3,554,725	494,594
United States	1,288,851	250,277
Great Britain	137	4
Not specified	193	28
Total	8,916,564	1,593,718
Ports of entry—		
Callao	404,176	42,424
Eten	28,916	5,380
Mollendo	122,873	12,377
Paita	137	4
Pimentel	128,814	22,402
Pisco	119,430	14,868
Salaverry	37,624	7,027
Tacna	4	2
Talara	8,074,589	1,489,233
Parcel post	1	1
Total	8,916,564	1,593,718
1939—		
Canada	5,708,337	1,353,025
Chile	1,923,742	292,222
United States	2,385,623	597,952
Great Britain	432	395
Total	10,018,134	2,243,594

	Kilos	Soles
1939—		
Ports of entry—		
Callao	318,889	42,416
Eten	38,048	8,201
Mollendo	192,380	21,407
Pacasmayo	9,984	1,195
Paita	187	200
Pimentel	37,624	8,634
Pisco	91,213	13,279
Salaverry	37,621	8,748
Talara	9,292,188	2,139,513
Total	10,018,134	2,243,594
1940—		
Canada	5,558,138	1,383,353
Costa Rica	304	54
Chile	665,576	131,043
United States	2,784,735	771,501
France	175	89
Great Britain	1,628,333	456,872
Total	10,637,261	2,742,912
Ports of entry—		
Callao	337,423	60,062
Eten	78,609	20,167
Mollendo	64,807	9,828
Paita	189	243
Pimentel	112,972	30,593
Pisco	124,063	21,513
Talara	9,919,198	2,600,506
Total	10,637,261	2,742,912
Basic duty increased to 0·03 sol per kilogram gross weight.		
1941—		
Canada	4,269,800	1,393,533
Chile	1,571,948	543,435
Ecuador	104,561	15,909
United States	892,672	295,701
Great Britain	294	614
Total	6,839,275	2,249,192
Ports of entry—		
Callao	147,492	52,341
Mollendo	137,043	29,819
Paita	104,346	15,857
Pimentel	155,248	49,455
Pisco	13,669	2,182
Salaverry	56,436	18,177
Talara	6,225,041	2,081,361
Total	6,839,275	2,249,192
Basic duty increased to 0·036 sol per kilogram gross weight.		
1942—		
Canada	1,739,857	607,610
Chile	390,949	95,288
United States	558,326	196,903
Great Britain	438,109	148,189
Total	3,127,241	1,047,990
Ports of entry—		
Callao	312,368	84,396
Mollendo	64,454	17,270
Pimentel	80,000	27,994

	Kilos	Soles
1942— Port of entry—Con.		
Pisco	54,684	14,644
Talara	2,615,731	903,680
Parcel post	4	6
Total	3,127,241	1,047,990
1943—		
Colombia	912	201
Chile	225,181	76,275
Great Britain	430	1,022
Total	226,523	77,498
Ports of entry—		
Callao	116,196	42,516
Mollendo	58,882	11,700
Pimentel	40,000	19,961
Pisco	11,445	3,321
Total	226,523	77,498
1944— January-October	645,793	315,837

From the foregoing figures it will be noted that after 1940 the imports of box shooks into Peru declined considerably, and from present indications it is unlikely that these arrivals will ever again increase to the 1938-39 levels. The reason for this is that the chief importer of box shooks was a large petroleum company operating oil wells and a refinery at Talara, Peru. This firm is an affiliate of a Canadian oil company, and it was their practice to place orders in Canada for the box shooks they used when possible. The import figures indicate that the chief arrivals of box shooks for this country were entered through the port of Talara.

CONSUMPTION

These box shooks were used mainly for making cases to contain two five-gallon gasoline or kerosene tins for internal distribution, whereas smaller amounts were used for sturdier cases for export shipments of kerosene and gasoline, with a few heavier cases for the export of lubricating-oil products. The petroleum company operated a fair-sized plant at Talara for the manufacture of their tins and construction of the cases. On account of wartime conditions, involving the difficulties of obtaining raw materials for the tins and shipping space for box shooks, and with less internal transportation facilities available for their finished products, the company was forced to abandon the widespread distribution of gasoline and kerosene in tins packed in cases,

and they installed bulk-storage facilities in various parts of Peru. It is estimated that these bulk-storage deposits will take the place of about 90 per cent of the former cans-in-cases distribution. The can- and case-making plant of this firm is now only operated spasmodically, and considerable stocks of box shooks still on hand would meet their needs for sometime to come.

Besides the oil companies, the only other industries which use box shooks to any extent are the cotton-seed oil mills, the soap and vegetable lard manufacturers and the wine producers. Even these combined amount to only a small percentage of the quantities used by the petroleum companies, as is shown by the port-of-arrival figures given above.

The producers of cotton-seed oil were the most important, but it was their practice to use second-hand tins and boxes of the petroleum company, which could be obtained at around 20 cents Canadian for one case with two empty five-gallon tins. This custom of using second-hand cases was also followed by the soap manufacturers and the wine shippers. Due to the lack of these supplies recently, a great many of these firms are now using cardboard containers manufactured in Peru. These cartons can be purchased for approximately 25 cents Canadian. They are not as satisfactory as the wooden cases because, when used for soap, they tend to "sweat", but persons engaged in these trades state that they would only consider reverting to cases if these could be purchased in Lima, assembled, and duty paid at around 35 cents and not more than 45 cents Canadian.

The possibility of obtaining any of this business would depend on very low quotations and cheap freights. The box shooks brought from Canada formerly were transported from Pacific Coast ports directly to Talara, Peru, and even then it was difficult to compete with United States suppliers who offered a similar product. Competition is also forthcoming from Chile, in which case the transportation problem is simpler, but, according to the trade,

the finish of the Chilean product is not as good. Locally made cases are now being offered, but these are expensive and subject to warping. In addition, the continuing competition from the different forms of cardboard packing produced by the Peruvian mill is a factor of considerable importance.

Lumber

Regarding the general question of the Peruvian lumber market, efforts are now being made to use the large number of types of wood produced in Peru with a view to their utilization in different ways according to quality, hardness, and termite resistance, so as to avoid importing unnecessary amounts from abroad. According to figures, based on official statistics, contained in an article published by a Peruvian lumber authority in the local press, total imports of wood, plain or manufactured, into Peru (including shooks) since 1933 were as follows:—

	Soles
1933	3,619,232
1934	5,048,300
1935	5,012,652
1936	6,716,777
1937	8,029,861
1938	9,105,557
1939	8,154,078
1940	10,655,963
1941	12,354,671
1942	8,526,595
1943	10,145,995
<hr/>	
	87,369,681

These figures cover eighty-nine different items of the Peruvian import tariff, including wood, reeds, vegetable fibres, and straw, rough or prepared for industries, and manufactures. In 1938 the chief items were sawn lumber, shooks, sleepers, plywood, and manufactured articles.

LOCAL PRODUCTION

The most important wood-producing area in this country is the Amazon region, and so far the development of the national lumber industry has been curtailed by the difficulties of transportation, since eastern Peru is difficult of access from the Pacific Coast region, due to the natural barriers of unexplored dense forest land and the Andes mountains. When the lumber industry is properly developed and feasible means of transportation have been established or the present deficient ones improved, this will become a valuable asset to Peruvian economy. So far only merchandise of lesser volume and weight is taken to and from Lima to Iquitos (the principal Peruvian fluvial port on the Amazon and the capital of the Department of Loreto) by plane, whence it is transported to still further out-of-the-way localities by boat or truck.

In the press article referred to above, it is suggested that the time is now opportune to obtain the services of a wood specialist, so that local growers may take advantage of his knowledge of all questions relating to the industrialization of many varieties of wood which hitherto have been considered unadaptable to any specific use. This would obviate the necessity for such heavy imports of wood when there are unlimited local resources available. An expert from the Ministry of Supplies, London, England, will shortly arrive in Peru to investigate and report on the possibilities of exporting lumber from this country to Great Britain in the post-war period.

THE PROBLEM OF UNITED KINGDOM EXPORTS

From *The Economist*

Like most economic problems of the transition from war to peace, the problem of exports divides itself into two sharply contrasting phases, those of the short run, when there will be a universal seller's market, and of the longer years thereafter. In the short run there will be little difficulty in

selling goods either at home or abroad. The difficulties will all be those of supply. When he is free to choose between them, almost any manufacturer will prefer to sell in the home market, where turnover is much quicker and there are fewer annoyances of language, shipping, credit and trade.

The duty of the Government in this period is to restrain those industries which are most important for the development of the export trade (by no means always those to which the export trade is most important) from too exclusive an attendance to the clamorous demands of the consumer on the doorstep.

For this task, the mere removal of prohibitions is almost useless, and even the grant of priorities for labour and materials is a very weak weapon. One of the clearest lessons of the war is that the according of priorities is likely to be ineffective, unless it is reinforced by a much more comprehensive machinery of allocation. A priority for materials for export will not work unless there is a demand for materials for export, and the home market may well be so attractive that there will not be an adequate spontaneous willingness to ask for materials or labour for supplying foreign markets.

What is needed for exports in this transition phase is, therefore, much the same as what was needed during the transition from peace to war—a job of mobilization, of creating the demand to which the supply can be made to respond. A total of visible exports 50 per cent larger than before the war will require between one-fifth and one-quarter of the output of industry; it is a smaller task than the war program, but not so much smaller as to be of a different kind. The Government can best discharge its responsibility by drawing up, at least in outline, a program of exports for these first few years, by seeing that the necessary productive capacity is allocated to it, and—only thirdly and consequentially—seeing that the firms concerned have an effective priority for labour and materials. It is a job on the lines to which the supply departments have become accustomed; where it differs from their wartime tasks it is smaller and, on the whole, easier.

In the longer run, when the worldwide insistence of demand disappears and sellers once more find the competitive going hard, the picture changes. Since, by definition, there will no longer

be universal scarcities, the machinery of priority and allocation will no longer work. Then, in fact, will be the time to hand the job more completely back to private enterprise. But that does not mean that there will be no need for government leadership and assistance, or that there will be no points of general policy emerging which only the Government can settle.

For example, it is already clear that the dominant factor will be the price of British goods relatively to those of other nations. British costs and prices were high before the war, and they are much higher now. British labour has grown accustomed to a standard of living that it was hard to justify by its comparative productivity even before the war when it was sustained by the overseas income and other invisible exports of the country. Moreover, British industry has reinforced this tendency by its addition to restrictive practices and high margins. During the war, ideas about standards of living have perceptibly risen, cartelism has been strengthened, and the country's competitive position has worsened. It is at least probable that, unless corrective steps are taken, British goods will again be expensive in the world's markets.

What is it proposed to do about this? Exchange depreciation is a game that many can play. Schachtian strong-arm tactics, exploiting the attractiveness of the British market to force expensive British goods on those countries that sell here, will work only until the victims find means of escaping. Open export subsidies would give rise to a world-wide outcry and world-wide retaliation. Indirect subsidies—the cartels recouping their export losses out of higher prices to the British consumer—are even more obnoxious. There is only one permanent solution—through such a great increase in productive efficiency as will reconcile high wages with low selling prices.

Thus the export crisis leads back, as almost all economic arguments do, to the basic economic problem of the day—the economic efficiency of the

productive machinery of the country. This is fundamental to all the fine dreams that are now so much in the public mind. On many issues, inaction is the result of deadlock in the Cabinet between Right and Left. But on this, the representatives in the Government of big business and of the trade unions

are at one in blocking any approach to action, even of the timidest. An informed public opinion has removed mountains of obstruction before now. It will be badly needed in the months to come if the country is not to live indefinitely under the threat of a siege economy.

ECONOMIC, TRADE AND PRODUCTION NOTES

Argentina

OFFICIAL ESTIMATE OF CORN ACREAGE

Mr. J. C. Depocas, Assistant Commercial Attaché at Buenos Aires, reports that the first official estimate places the area planted to corn for the 1944-45 crop at 9,888,942 acres as compared with a 5-year average of 10,903,164 acres. The yield, however, is expected to be severely reduced by reason of the drought conditions that have prevailed this season, the current summer rains coming too late.

Colombia

HIGHWAY CONSTRUCTION

Expenditures for highway construction by the National Government for the twelve months ending April, 1944, amounted to 10,000,000 pesos (one peso equals 63 cents at current exchange rates), according to a report of the Ministry of Public Works. The report states that highways in Colombia now total 10,000 kilometers, which is slightly less than half the extent of 21,000 kilometers provided for by legislation.

Egypt

COTTON AND GRAIN CROPS

Final estimates of the 1944 cotton crop put the area at 857,949 feddans (one feddan equals 1.083 acres), one-fifth larger than in 1943, and the yield at 1,000,000 cantars (99.05 pounds each) above the 1943 yield of 3,494,392 cantars.

While the cotton crop was larger, the wheat crop was one of the lowest in recent years, amounting to 6,307,000

ardebs (one ardeb equals 150 kilos). The small crop was the result of reduced acreage, hot winds, rust and shortage of fertilizer. It is expected that it will be inadequate for domestic requirements.

Production of barley in 1944 is estimated at 1,890,000 ardebs as compared with 2,620,000 in 1943, of millet at 5,400,000 ardebs, and of onions at 2,410,000 cantars. The latter crop, like wheat, was the lowest in years.

FOREIGN TRADE

For the nine months January to September, 1944, the value of imports into Egypt totalled £E35,769,000 (£El equals U.S.\$4.15), or approximately 28 per cent above the value for January-September, 1943. The value of exports was £E20,603,000, or about 32 per cent above that for the corresponding period of 1943.

Principal commodities imported in the 1944 period were: mineral products, £E9,500,000; food and beverages, £E6,943,000; chemical products, £E5,178,000; vegetable products, £E4,335,000. The leading commodities exported were cotton, rice, petroleum products, and phosphate of lime.

Mexico

TECHNICIANS' PLAN TO STIMULATE PRIVATE INITIATIVE

A group of technicians in Mexico is planning to stimulate private initiative and industry through a proposed Instituto Nacional de la Iniciativa Privada—National Institute of Private Initiative—which would provide Mexicans as individuals with a medium for fully utilizing their technical contributions,

experience and enterprise in increasing production and raising living standards, according to a recent article in the publication *Excelsior* of Mexico City.

One of the beneficial effects of the plan, according to its sponsors, would be a fuller utilization by Mexican industry of Mexican inventions, many of which are now sold to non-Mexican enterprises because a ready, well-organized market for patents does not exist in Mexico. Cited among recent important inventions by Mexicans are the chromoscopic television adaptor of Cuillermo Gonzales Camarena, for analyzing and synthetizing colour, the two-headed helcoidal spike of Jose Collantes, acquired by Mexico's National Railways for 25,000 pesos.

Moreover, the Institute would lend material aid to thousands of obscure research workers, scientists, technicians, and inventors in many small provincial towns, who lack the means to carry their work to rapid and successful completion, or of making their work available to agriculture and industry in Mexico. A system of fellowships and subsidies would be created by the Institute to provide funds and technical advice in the development of processes and inventions which promise to be of value to the Mexican national economy.

New Zealand

CLOTH SUBSIDY

Designed to keep the retail prices of certain lines of clothing down by counteracting the rise in cloth prices, the New Zealand Government will subsidize the clothing manufacturers. The clothing to be affected are men's suits, shirts, pyjamas, and overalls. The price level to be maintained is that ruling at December, 1942, the date of the introduction of the stabilization policy. The scheme will apply only to low- and medium-grade materials and it will affect imported materials as well as those locally produced.

The scheme differs from the usual system under which the subsidy is paid on the finished product, thus covering all costs.

Much of the cloth used in New Zealand's clothing industry is of the medium and lower grades and is produced locally. The subsidy therefore in a large measure will have the effect of protection to local industry against cheaper imported cloth.

South Africa

RESUMPTION OF CIVIL AIR SERVICES

The civilian airline services between the various cities of the Union, which were suspended at the outbreak of war, are to be resumed shortly, according to a recent announcement by the Union's Minister of Transport.

Plans are also well under way now for the establishment of a new airport at Durban.

STEEL PRODUCTION

Production of the South African Iron and Steel Corporation for the year ended June 30, 1944, amounted to 464,216 tons as compared with 377,300 tons for the previous year. The increased tonnage, according to the *Chamber of Commerce Journal*, was due to additions to plant which are still proceeding and which are expected to bring next year's output to 600,000 tons. The steels supplied have fallen into two categories: ordinary commercial and special purpose steels (including all special carbon), and alloy steels.

Sweden

REBUILDING OF BLITZED CITIES

The rebuilding of war-damaged cities may be considerably simplified, says a foreign press report, by a mechanical process developed in Switzerland that turns out blocks cast of a mixture of the rubble and cement. Eighty-five per cent of the rubble from bombed houses can be used in the new building material, it is claimed.

Negotiations have been started for post-war delivery of the machines. The report states further that this "Zetka Process" soon will be put to use experimentally in Italy.

RESUMPTION OF TRADE WITH BELGIUM

The ban on trading between Canada and Belgium, imposed under Trading with the Enemy Regulations, has been lifted, a notice to this effect having been issued by the Secretary of State under date February 24, 1945. The notice does not release property vested in the Custodian. Such property shall continue under his control until expressly released under the provisions of

the Revised Regulations Respecting Trading with the Enemy (1943).

While the legal restrictions on trading by Canadians with Belgium are thus removed, it should be noted that so far as actual resumption of trade is concerned there exist difficulties, arising from shortage of shipping and foreign exchange problems, which require the retention of certain controls.

CANADA'S EXTERNAL TRADE IN JANUARY

The value of Canada's external trade, excluding gold, was recorded by the Dominion Bureau of Statistics at \$363,546,000 for January as compared with \$372,359,000 for the corresponding month of last year, a decline of \$8,813,000 or 2·4 per cent. Domestic merchandise exports were valued at \$230,498,000 as compared with \$242,011,000 a year ago, a decline of 4·8 per cent. (A summary and tabular statement on January exports was printed in the issue of the *Commercial Intelligence Journal* of February 24, page 173.)

Commodity imports advanced to \$129,685,000 from the January, 1944, total of \$126,369,000, or by 2·6 per cent. Foreign exports were valued at \$3,364,000 as compared with \$3,978,000.

Imports

The United States was the leading source of supply in January, accounting for a total of \$101,833,000 as compared with \$106,278,000 in January, 1944. The United Kingdom was in second place with a total of \$9,393,000 as compared with \$7,064,000, followed by British India with \$6,054,000 as compared with \$2,216,000.

Imports from other leading countries, with totals for January, 1944, shown within parentheses, were as follows:

Ceylon, \$1,464,000 (\$282,000); Venezuela, \$960,000 (\$515,000); Colombia, \$842,000 (\$683,000); Jamaica, \$746,000 (\$808,000); Mexico, \$732,000 (\$1,047,000); Argentina, \$726,000 (\$541,000); British West Africa, \$651,000 (\$22,000); New Zealand, \$595,000 (\$290,000); San Domingo, \$534,000 (nil); Australia, \$502,000 (\$695,000).

The following were among the principal commodities imported in January, totals for January, 1944, being shown within parentheses: fruits, \$4,798,000 (\$2,951,000); tea, \$4,311,000 (\$1,564,000); cotton and products, \$7,454,000 (\$5,859,000); wool and products, \$3,368,000 (\$2,823,000); rolling mill products, \$3,533,000 (\$3,759,000); engines and boilers, \$3,173,000 (\$3,015,000); farm implements, \$4,315,000 (\$2,666,000); machinery, except agricultural, \$6,133,000 (\$7,596,000); vehicles, \$9,007,000 (\$7,695,000); electrical apparatus, \$3,976,000 (\$4,731,000); coal, \$6,867,000 (\$8,155,000); petroleum products, \$4,930,000 (\$5,843,000).

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's imports (excluding gold) by principal countries and commodities for the month of January, 1945 and 1944:—

Imports by Principal Countries

	Month of January 1945	1944
	Thousands of Dollars	
All countries	129,685	126,369
Empire countries	21,429	15,231
British East Africa	191	110
British South Africa	360	672
Southern Rhodesia	6	84
British West Africa	651	22
Bermuda	3	1
British India	6,054	2,216
Ceylon	1,464	282
British Guiana	464	538
Barbados	130	807
Jamaica	746	808
Trinidad and Tobago	153	15
British West Indies, other	195	383
Newfoundland	433	490
Australia	502	695
Fiji .....	...	499
New Zealand	595	290
United Kingdom	9,393	7,064
Foreign countries	108,256	111,138
United States	101,833	106,278
Argentina	726	541
Bolivia	5	...
Brazil	251	427
Chile	45	22
Colombia	842	683
Costa Rica	25	13
Cuba	422	172
Ecuador	170	1
Egypt	25	20
Guatemala	28	112
Haiti	16	224
Honduras	408	46
Mexico	732	1,047
Netherlands Guiana .....	...	145
Netherlands West Indies .....	...	105
Panama	1	...
Paraguay	10	12
Peru	5	7
Portugal	89	84
Salvador	89	3
San Domingo	534	...
Spain	257	70
Sweden .....	...	12
Switzerland	206	529
Alaska	6	8
Puerto Rico	9	...
Uruguay	15	...
Venezuela	960	515

Imports by Principal Commodities

	Month of January 1945	1944
	Thousands of Dollars	
Total imports	129,685	126,369
Agricultural products	19,201	14,367
Fruits	4,798	2,951
Nuts	729	861
Vegetables	1,474	1,211
Grains and products	585	811
Oils, vegetable	999	738
Cocoa and chocolate	90	137
Coffee and chicory	240	471
Spices	44	35
Tea	4,311	1,564
Alcoholic beverages	697	390
Gums and resins	453	326
Seeds	362	315
Tobacco	172	108

Imports by Principal Commodities—Con.

	Month of January 1945	1944
	Thousands of Dollars	
Animal products	3,841	3,498
Fishery products	147	165
Furs (chiefly raw)	2,073	1,880
Hides, raw	510	319
Leather, unmanufactured	226	256
Leather, manufactured	267	155
Meats	139	52
Fibres and textiles	16,683	13,060
Cotton	7,454	5,859
Raw, and linters	3,330	3,050
Yarn	538	535
Fabrics	3,071	1,987
Flax, hemp and jute	2,585	999
Fabrics, flax and hemp	69	108
Fabrics, of jute	2,078	402
Silk	145	155
Fabrics	144	153
Wool	3,368	2,823
Raw wool	943	545
Noils and tops	280	479
Yarn	738	199
Worsted and serges	670	830
Wood and paper	3,595	3,290
Wood, unmanufactured	438	422
Planks and boards	288	221
Wood, manufactured	656	491
Paper	984	969
Books and printed matter	1,517	1,409
Iron and products	32,588	32,624
Pigs, ingots, blooms and billets	239	57
Casting and forgings	722	678
Rolling mill products	3,533	3,759
Tubes and pipes	466	571
Engines and boilers	3,173	3,015
Farm implements	4,315	2,666
Hardware and cutlery	347	339
Machinery (except agricultural)	6,133	7,596
Stamped and coated products	121	101
Tools	646	897
Vehicles	9,007	7,695
Non-ferrous metals	8,006	9,727
Precious metals	107	102
Clocks and watches	258	538
Electrical apparatus	3,976	4,731
Non-metallic minerals	16,059	18,340
Clay products	1,031	1,001
Coal	6,867	8,155
Coke	467	815
Glass and glassware	1,163	1,002
Petroleum products	4,930	5,843
Stone and products	736	715
Chemicals	6,146	6,033
Acids	233	208
Cellulose products	390	350
Drugs and medicines	859	763
Dyeing and tanning materials	457	464
Fertilizers	219	290
Paints and varnishes	651	565
Inorganic chemicals	775	955
Soda compounds	314	338
*Miscellaneous commodities	23,564	25,430
Amusement and sporting goods	187	149
Personal and household equipment	613	338
Refrigerators and parts	23	9
Musical instruments	51	31
Scientific equipment	778	732
Vehicles, n.o.p. (except iron)	2,444	5,068

* Includes certain military stores.

SUBSCRIPTION RATES

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FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 5, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 5, 1945, and for the week ending Monday, February 26, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 26	Nominal Quotations in Montreal Week ending Mar. 5	Official Bank Rate
Great Britain	Pound	4.866			
	Buying		\$4.4300	\$4.4300	
	Selling		4.4700	4.4700	—
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	
	Selling		1.1100	1.1100	1
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.866			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2775	.2775	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0575	.0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6343	.6343	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.6016	.6016	—
South Africa	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

218

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Statistical bulletins respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1945. (Price 25 cents.)

Canada Year Book. (Price \$2.) (Out of print.)

Trade of Canada, External: Annual Report, Calendar Year: Part I, Summary and Analyses; Part II, Exports; Part III, Imports.. (Price \$2 each part.)

Trade, Internal: Prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1.00 per annum.)

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COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address,*

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South Africa

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Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom. (Until further notice, trade inquiries should be addressed to the Johannesburg office.)*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

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London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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TABLE OF CONTENTS

	Page
United Kingdom Exports in 1944.....	221
Post-war Taxation Relief for British Industry	225
United Kingdom Plans for the Dis- tribution of Industry	226
Iceland as a Market	228
I. General.	
Middle East Countries: Parcel-post Shipments	231
Cost of Living Changes in Southern California	232
	Page
Economic, Trade and Production Notes	233
Trade Regulations and Tariff Changes: Colombia: Consular Fees	236
Invoicing of Air-express and Parcel-post Ship- ments	236
Foreign Exchange Quotations	237
Condensed List of Publications.....	238
Commercial Intelligence Service.....	239

UNITED KINGDOM EXPORTS IN 1944

By FREDERIC HUDD, Chief Canadian Trade Commissioner in the United Kingdom

A review of the course of United Kingdom export trade during the years 1942 and 1943 was published in *Commercial Intelligence Journal* No. 2129, November 18, 1944. The Board of Trade has recently circulated corresponding details for 1944. In the latter year exports were valued at £25,000,000 more than in 1943, although, despite the considerable rise in prices, they failed to reach the 1942 total by £13,000,000.

The accompanying table summarizes the returns under the main commodity divisions and estimates the changes in volume, as distinct from value, of trade by means of an adjustment of values

based upon the price level of 1938. Measured by quantities, total exports in 1944 were slightly greater than in 1943 (31 per cent of the 1938 figure as against 29 per cent). The rise, moreover, was due essentially to a substantial increase in special exports to Russia.

Exports of raw materials fell by one quarter and those of food, drink and tobacco by one-twelfth. On the other hand, exports of manufactured articles rose from 32 per cent to 34 per cent of the 1938 figure, and there was a considerable rise in parcel-post shipments, due to the greater number of parcels despatched to the forces.

Exports by Commodities

The Board of Trade points out that exports of whisky, the largest single item in the food, drink and tobacco classification, fell by almost one-fifth between 1943 and 1944, stocks being still further depleted to provide for exports last year. Exports of seed potatoes also declined by one-fifth between 1943 and 1944, but there was a slight increase in the volume of exports of dairy products, the consignments for famine relief in India continuing in 1944. Special export of malting barley to Eire in 1944 accounted for a rise in the volume index for grain and flour to more than two-fifths of pre-war.

The general tendency towards heavy reductions in raw materials exports, as compared with pre-war figures, continued in 1944. Exports of coal fell still further to only 7 per cent of the 1938 level, while those of hides and skins (essentially rabbit skins) were one-sixth lower than in 1943.

As regards fully manufactured articles, the volume index for metal goods, which had fallen to 23 in 1943 (1938=100) rose to 29 last year. This increase was chiefly due to additional

shipments of machine tools, electrical machinery, etc. to Russia. Excluding these special exports, the volume index for machinery would be 24 (1938=100) in both 1943 and 1944. Offsetting factors were the drop in exports of tin and the rise in exports of aircraft and ships.

The volume of exports of textile goods was, as in 1943, 36 per cent of the pre-war figure. A further decline in exports of woollen and worsted goods was balanced by a substantial rise in those of rayon piece-goods, coupled with a small recovery in cotton goods as a whole. A rise of one-sixth in cotton piece-goods was accompanied by a considerable reduction in exports of cotton thread and more finished manufactures.

Exports of other manufactured articles were also unchanged in volume as compared with 1943. The stability of the index for the chemicals group (in volume the second largest last year and the largest in 1943) covered some marked changes in composition. Increased exports of ammonium sulphate, benzol and drugs were discounted by contractions in those of finished dye-stuffs and sodium compounds.

Value and Volume of United Kingdom Exports of Produce and Manufactures during 1942, 1943 and 1944.

	Year ended December, 31st			Index Nos. of Volume		
	1942 £'000	1943 £'000	1944 £'000	1942 (1938=100)	1943	1944
Food, drink and tobacco—						
Grain and flour	132	221	1,323	4	6	42
Feeding-stuffs for animals	16	19	29	1	1	2
Animals, living, for food..	.....	.....	.....	*	*	2
Meat	114	239	208	7	15	11
Dairy produce	100	342	391	6	20	22
Fresh fruits and vegetables	174	517	424	22	62	50
Beverages and cocoa preparations	11,466	11,047	9,624	59	56	46
Other food	2,245	1,438	1,967	8	5	7
Tobacco	4,263	5,185	5,080	53	59	56
Total	18,510	19,009	10,046	34	34	31
Raw materials and articles mainly unmanufactured—						
Coal	6,041	6,190	4,530	11	10	7
Other non-metalliferous mining and quarry products and the like..	499	315	307	29	19	19
Iron ore and scrap	9	7	8	†	†	†
Non-ferrous metalliferous ores and scrap	28	28	17	†	†	†
Wood and timber	64	68	85	*	*	*

* These figures would have no significance.

† Under one.

	Year ended December, 31st			Index Nos. of Volume (1938=100)		
	1942 £'000	1943 £'000	1944 £'000	1942	1943	1944
Raw materials and articles mainly unmanufactured— <i>Con.</i>						
Raw cotton and cotton waste	6	1	4	†	†	†
Wool, raw and waste, and woollen rags	865	169	172	8	1	2
Silk, raw and waste, and artificial silk waste	468	531	434	32	34	32
Other textile materials	5	4	4	1	†	1
Seeds and nuts for oil, oils, fats	194	128	136	3	2	2
Hides and skins, undressed	1,125	1,031	1,146	29	32	27
Paper-making materials	16	14	32	†	†	†
Rubber	61	32	48	11	8	12
Miscellaneous raw materials and articles mainly unmanufactured	807	738	764	16	14	13
Total	10,188	9,256	7,687	10	9	7
Articles wholly or mainly manufactured—						
Coke and manufactured fuel	788	1,055	346	15	17	6
Pottery, glass, abrasives, etc.	11,432	9,053	9,537	79	56	55
Iron and steel and manufactures thereof	9,827	6,054	8,503	17	10	14
Non-ferrous metals and manufactures thereof	6,899	6,553	4,704	40	38	22
Cutlery, hardware, implements and instruments	7,921	6,707	7,713	57	46	53
Electrical goods and apparatus	11,163	11,092	12,637	57	50	53
Machinery	29,942	28,013	40,960	35	29	42
Manufactures of wood and timber	381	234	206	13	7	6
Cotton yarns and manufactures	40,087	34,174	37,025	40	31	33
Woollen and worsted yarns and manufactures	25,051	18,475	15,292	62	39	31
Silk and artificial silk yarns and manufactures	16,421	12,683	16,358	166	110	130
Manufactures of other textile materials	8,854	6,321	5,178	39	23	19
Apparel	7,674	3,406	4,007	56	22	24
Footwear	1,387	671	698	44	21	19
Chemicals, drugs, dyes and colours	23,755	27,520	28,093	69	81	80
Oils, fats and resins, manufactured	725	694	1,054	8	9	10
Leather and manufactures thereof	2,969	1,671	1,196	44	23	16
Paper, cardboard, etc.	4,970	4,071	4,052	37	29	27
Vehicles (including locomotives, ships and aircraft)	9,215	8,691	11,677	12	10	13
Rubber manufactures	763	275	330	29	9	10
Miscellaneous articles wholly or mainly manufactured	15,933	13,407	16,257	35	25	30
Total	236,157	200,820	225,823	40	32	34
Animals not for food	166	127	265	15	10	15
Parcel post*	5,845	3,567	5,231	47	28	41
Total all classes	270,866	232,778	258,052	37	29	31

† Under one.

* Parcel post is recorded by the Customs according to an official valuation.

Geographical Distribution of Exports

The accompanying table indicates the chief geographical areas to which United Kingdom exports are being consigned.

It is interesting to record that exports of essential supplies to the liberated countries of Europe began towards the latter part of 1944, those to France and the smaller exports to Belgium and

Holland amounting to £2,000,000 by the end of the year. Nearly half the recorded exports to France and Belgium consisted of cigarettes for the troops. There were in addition other shipments for civilians and for industrial use, but these were not recorded

by almost £3,000,000, the increase being accounted for by strategic materials (including those for the oil pipe line). Exports to China were the same as in 1943, but those to Ceylon rose by £1,400,000 to little short of the pre-war figure. Exports to Australia went

Distribution of Exports by Areas

	1938	1942	1943	1944
	£ Million			
Enemy and enemy-occupied countries in Europe*	117.7	1.7	0.3	2.7
Other Mediterranean countries	21.5	20.7	21.3	21.0
Rest of Europe	45.9	35.5	47.6	55.7
Enemy and enemy-occupied countries in Asia	25.8	3.5	...	...
Rest of Asia	50.1	29.4	24.0	34.1
Oceania	58.1	45.1	40.1	46.6
North America	44.6	50.1	43.1	40.1
Central America and West Indies	9.9	8.5	7.9	6.6
South America	34.2	24.6	21.3	10.1
Total	470.8	270.9	232.8	258.1

* This includes all those countries (in Europe) which have been enemy or enemy-occupied. Exports to these European countries in 1942, and mostly in 1943, comprised ships sold to Allied governments.

as exports, as they were consigned to Military Control Officers. The figures shown for 1942 and 1943 represent the sale of ships to Allied European governments, as does £500,000 out of the total of £2,700,000 for exports in 1944 to countries now or formerly in enemy occupation.

The apparent stability of exports to Mediterranean countries (other than Italy and the Balkans) in all the four years, as shown in the table, conceals increases in exports as compared with 1943 of £1,300,000 to Malta for essential re-stocking and of £1,400,000 to Egypt, in spite of a further reduction in exports by N.A.A.F.I. for the troops in the Western Mediterranean. A fall of £1,600,000 in exports to Turkey offset these increases, but there was a decline of over £1,000,000 in exports to Algeria.

Exports to non-Mediterranean Africa rose by one-sixth in value between 1943 and 1944. Exports to the Union of South Africa rose by £3,100,000, owing to larger exports of textiles. Other substantial increases were £1,500,000 for Southern Rhodesia and £1,300,000 for Nigeria.

The value of exports to Asia rose by £10,100,000. The largest rise (£6,000,000) was for India, because of increased industrial demand in that country arising from the war against Japan. Exports to Iran were higher

up by £5,200,000 and shipments to New Zealand also showed some improvement.

Exports to both Canada and the United States shrank by about £1,500,000 as compared with 1943. Exports to North America were only one-tenth less in value than for 1938. A fall of £1,000,000 in exports to the British West Indies was the chief reason for the small decline in the total for Central America and the West Indies.

Exports to every South American country were drastically reduced last year, the aggregate value being less than half that for 1943 and only 30 per cent of the 1938 value. The greatest decline was one of £5,500,000 in exports to Argentina.

Leading Markets

The appended table shows, in order of importance, the leading countries to which United Kingdom products were shipped in 1944. It is noted that, while Australia still occupies first place, Canada, which was Britain's second largest customer in 1943, has slipped back to fifth place, although the actual decline in the value of her purchases is small. Most noteworthy is the listing of Russia in third place, but, as has already been explained, this development arises from special circumstances connected with the war.

United Kingdom Exports by Principal Countries

	1942 £1,000	1943 £1,000	1944 £1,000
Australia	32,283	26,903	32,075
Union of South Africa (excluding Africa Territory)	31,541	21,670	24,809
Soviet Union	9,802	9,549	23,876
British India	22,224	17,561	23,537
Canada	25,534	23,154	21,844
United States	23,493	19,265	17,671
New Zealand	12,641	12,895	14,152
Eire	17,884	11,469	11,952
Egypt	8,823	4,501	5,889
Iran	3,100	1,704	4,597

Exports to Canada

The expansion of United Kingdom exports to Canada will be of particular importance to the United Kingdom in the post-war period as a source of earnings of Canadian dollars with which to pay for essential imports. The table which follows gives parti-

culars of the principal classes of merchandise shipped to Canada in 1944, with corresponding figures for the two previous years. The general trend was downward with the exception of non-ferrous metals, electrical goods and apparatus, silk and artificial silk, and cotton yarns, which showed increases.

United Kingdom Exports to Canada by Principal Commodities

	1942 £	1943 £	1944 £
Pottery, glass, abrasives, etc.	2,360,223	1,928,118	1,704,005
Iron and steel and manufactures	243,094	118,699	96,872
Non-ferrous metals and manufactures thereof	105,424	148,330	762,917
Cutlery, hardware, implements and instruments	409,828	307,699	205,563
Electrical goods and apparatus	371,094	441,205	494,189
Machinery	1,462,678	951,514	623,392
Cotton yarns and manufactures	789,546	832,646	900,068
Cotton piece-goods	1,748,027	1,265,891	459,115
Cotton manufactures (other)	864,025	547,028	446,702
Woollen and worsted yarns and manufactures	6,246,759	6,529,787	4,693,007
Silk and artificial silk and manufactures	1,624,590	1,555,587	1,624,388
Manufactures of other textile materials	1,336,400	1,116,372	909,743
Apparel	802,786	436,344	355,443
Footwear	47,000	5,173	3,489
Chemicals, drugs, dyes and colours	1,528,228	1,127,782	976,125
Leather and manufactures	529,211	282,715	213,186
Paper, cardboard, etc.	173,175	113,089	102,541
Vehicles (inc. locomotives, ships and aircraft)	389,728	585,874	335,189
Books, printed and other printed matter (other than music)	146,854	127,253	99,387

POST-WAR TAXATION RELIEF FOR BRITISH INDUSTRY

By J. A. LANGLEY, Canadian Trade Commissioner at London

A report was published in *Commercial Intelligence Journal* No. 2103 (May 20, 1944) explaining the provisions of the United Kingdom budget and outlining the Government's plans to afford taxation reliefs for post-war industry and agriculture.

This policy is now being translated into legislation through the medium of

the Income Tax Bill which has recently been introduced in Parliament and which, if adopted, will assist manufacturers and farmers in the task of re-equipment.

The main proposals are as follows: An initial allowance of 10 per cent of the cost of new industrial buildings and an annual allowance of 2 per cent to

write off the cost will be given to the trader if he constructs the building for his own use, and to the landlord if he builds it to be let. The effect will be to enable the cost to be written off over a period of forty-five years. Provision is made for earlier writing off if buildings are scrapped before the end of the period. Industrial buildings include premises used for productive industry and transport and for the welfare of workers. Retail shops and offices are excluded.

The Bill also provides for an initial allowance of 20 per cent of the cost of plant and machinery, new and second-hand. The ordinary annual allowance is increased by one-fourth instead of one-fifth as at present, and arrangements are available for earlier writing off in plant and machinery if scrapped or replaced.

The Bill gives an initial allowance of 10 per cent of the cost of the construction of works for mines and oil wells likely to become valueless when the source is no longer worked. There is also an annual allowance designed to write off the cost of capital assets whose life is limited by the life of the mineral or oil deposits.

For agricultural land and buildings there is an allowance, spread forward over ten years, of capital expenditure on agricultural buildings and works which do not, at present, qualify for maintenance relief.

Patents and Research

An annual allowance spreading the cost of new patent rights over seventeen years, or the life of the patent if shorter, is another item in the Bill. Provision is made for earlier writing off of patents sold or lapsed.

The existing allowance for scientific research expenditure is extended to payments made after April 6, 1944, and an allowance will also be made for capital expenditure on buildings, plant and machinery for research incurred after January 1, 1937.

The new reliefs are to take effect after a date to be fixed by Parliament, but expenditure on buildings, plant and machinery after April 6, 1944, will qualify for the allowances. In this respect the Bill improves on the budget proposals, which provided that the tax reliefs should not operate until after the war.

UNITED KINGDOM PLANS FOR THE DISTRIBUTION OF INDUSTRY

By C. G. VENUS, *Office of the Canadian Trade Commissioner at London*

A part of the United Kingdom Government's White Paper on Employment Policy, which was reviewed in *Commercial Intelligence Journal* No. 2110 (July 8, 1944), outlined the proposals to cope with the problem of serious unemployment arising in particular areas where the established industries may be particularly vulnerable to trade depressions. The Distribution of Industry Bill, recently issued, is founded on these proposals.

It enables the Government to secure a proper distribution of industry over the country as a whole "by stimulating the industrial and social development

of areas in which there is a special danger of unemployment" and by controlling further industrial development in other areas where control appears to be desirable for economic, social and strategic reasons.

Land and Buildings

The Board of Trade is empowered to acquire land in Development Areas (formerly known as "depressed" areas), so that premises for industrial undertakings may be provided. The Board may also erect factories and other buildings.

Loans may be made by the Board to non-profit-making trading and industrial estate companies to further the provision of industrial premises in development areas.

Government departments responsible for basic services, such as transport, power, lighting, heating, houses, and health, necessary to development may make grants and loans towards the cost of improving those services where they are inadequate, and the Treasury is empowered to give financial assistance for capital requirements of industrial undertakings in development areas by making annual grants and loans.

Derelict land can be acquired by the Board of Trade under the Bill with a view to improving amenities.

Methods of Control

The general provisions for controlling the distribution of industry require that the Board of Trade must be notified of all proposals to erect industrial buildings with an aggregate floor space exceeding 3,000 square feet which form part of new industrial units. The Board may by order prohibit the erection or extension of such industrial buildings, except with permission, in any area where the provision of further industrial premises "would be seriously detrimental to the proper distribution of industry." Any such order will be subject to parliamentary approval.

Apart from this provision, the Bill confers no further compulsory powers, although, after a proposal to build has been notified, the Board of Trade may inform an industrialist of the advantages offered in the development areas. While, however, the present emergency powers exist, it will be possible to restrict industrial building to the development areas by giving these areas a priority for the issue of building permits.

Special consideration is given to the re-erection of war damaged premises

to the extent that there will be no interference with the rebuilding of such factories, regardless of the nature of the area concerned.

New Industries

The Board of Trade announces that arrangements have been made to establish several new industries in Wales (one of the development areas).

The spinning and processing of nylon yarn is to be begun in a new factory at Pontypool. This is designed to employ 1,700 persons.

Clocks and watches, which were not previously made in the United Kingdom to any extent, are to be manufactured at a new factory at Ystradgynlais. It is hoped to give employment to several hundred persons.

At Merthyr a large mill for the production of underwear and full fashioned stockings is to be set up, capable of employing nearly 3,000 persons within a few years.

Water-Proof Paper

A new paper impervious to sea water is being made in Britain. Maps of this paper can still be used after a long period of immersion in sea or fresh water. This is due to wartime developments in Britain of the so-called "wet strength" technique, states the *World's Paper Trade Review*. The paper can also be washed free of mud and even grease without damage. As a result of this and other developments in the British paper industry, the whole process of packaging has been revolutionized. Multi-wall paper bags have replaced burlap and metal containers. United Kingdom and other troops in Burma and the Far East are receiving food and various supplies in perfect condition, packed only in paper bags. These developments, based on British wartime research into the use of plastic resins in paper manufacture, have opened great possibilities for peacetime products, while the new packaging will be of importance to world export trade.

ICELAND AS A MARKET

A REVIEW FOR CANADIAN EXPORTERS

By L. H. AUSMAN, *Assistant Trade Commissioner at New York*

I. General

One effect of the war on the economy of Iceland has been to bring that country into closer relationship with Canada. Being dependent almost entirely on the United States, the United Kingdom and Canada for her essential import requirements during the war years, it is but natural for her people to turn their attention more and more to these three countries.

It is estimated that approximately 30,000 people of Icelandic extraction are now living in North America, nearly three-quarters of them in Canada. When it is realized that the total population of Iceland is only about 130,000, the closeness of the tie with Canada will be even more apparent. Despite this situation, comparatively little is known by Canadians of their near neighbour in the North Atlantic, and the following notes should be of interest, particularly to those exporters for whose products a market exists or could be developed in Iceland.

Historical Outline

Tradition links Iceland with what the ancient Greek stories referred to as Thule. It is also thought that the first people to settle there were Irish monks who arrived in the latter half of the eighth century. However, Norse Vikings exiled from Norway established the first recorded settlement shortly after 870 A.D. By the year 930 the Athling, a general legislature and judicial assembly and the world's oldest parliament, was functioning under a constitution on a democratic basis. As time went on, however, opportunities arose for the Norwegian kings to interfere more and more in the internal affairs of Iceland.

In 986 Eric the Red discovered Greenland, and his son, Lief the Lucky, is believed to have discovered America

about the year 1000, although no attempt was made to colonize. In the same year, having been introduced by the Norwegian King, the Roman Catholic faith was adopted by law, replacing the heathen religion of the Norsemen. During this period and later took place the stirring events that form the subject of the Icelandic sagas. It is of interest to note that these stories as well as the laws and history of the country were written in Icelandic rather than Latin, which in those days was the literary language of the learned world.

At the beginning of the thirteenth century a long civil war broke out, as a result of which, in 1264, the country fell to the Norwegian Crown. Later, in 1662, Iceland, together with Norway, came under the control of the King of Denmark.

At the time of the Reformation in the middle of the sixteenth century, ecclesiastical powers as well as the property of the Church and of its adherents were seized by the Norwegian King, into whose hands almost all secular power had already come. For 250 years the people were oppressed by tyranny, taxation, trade monopolies and injustices of every conceivable type.

After the beginning of the nineteenth century, conditions of life gradually improved as the struggle began again for increased rights and culture. A leader in the drive for Icelandic independence, Jon Sigurdsson, finally saw the fulfilment of his efforts in the constitution granted by the King of Denmark in 1874. The Athling was given legislative authority and freedom from outside control until December 1, 1918, when Iceland became an independent state, not at Versailles but after a friendly conference with the Danish people.

Recent Forms of Government

From 1918 to 1944 Iceland was a constitutional monarchy in personal union with Denmark. King Christian X had in Iceland the title "King of Iceland and Denmark", but his Danish title was "King of Denmark and Iceland". On April 10, 1940, when Denmark was occupied by the Germans, the Athling passed a declaration of a temporary breach of the personal union, and the following year an Icelander, Sveinn Bjoernsson, was elected Regent.

On June 17, 1944, after the 25-year interim period provided for by the agreement with Denmark and following a nation-wide plebiscite, the union was severed, and the Republic of Iceland was proclaimed as a result of a majority vote of 97 per cent. Mr. Bjoernsson was inaugurated as first President.

Allied Military Occupation

To prevent occupation by the Germans, British and Canadian troops landed in Iceland on May 10, 1940, not without protest and some resentment on the part of the people. Gradually, however, relations between the inhabitants and the occupying forces improved and high tribute was later paid to the British troops. Protection of the country was taken over by the United States in July, 1941. By agreement between the two governments, all military and naval forces are to be withdrawn at the end of the war.

Despite the presence of foreign troops, Iceland, as a neutral nation, has complete political and economic freedom. There is no censorship except that imposed by military necessity. Press and radio comment freely on local and world events.

People and Language

Although colonized mostly by Norwegians, a considerable portion of the first settlers in Iceland came from Scotland, Ireland and the neighbouring

islands. The Celtic mixture is estimated up to 30 per cent and may account for some of the character and mental make-up of the people. Like other Scandinavians, they are generally fair of hair and complexion, blue-eyed, independent and rather reserved with strangers, but very hospitable. They are inclined to reading, philosophy, poetry, and politics.

Icelandic is the oldest literary language in Scandinavia and is, in fact, the mother language of the Scandinavian group. It has remained pure and practically unchanged since one language was spoken all over the Norse countries, including East England and North Germany. There are no dialects because of the smallness of the country, the high standard of education and the interest in literature. Many people read one or more foreign languages, and English is very popular, being spoken by most business men.

Education, the Arts and Religion

Education is compulsory for children between the ages of 7 and 14. There are elementary schools throughout the country, higher grade and specialist schools in the towns, and a university at Reykjavik, the capital. All instruction in schools is free.

The language lends itself well to poetical composition, and the writing of poetry is a favourite pastime. A distinctive school of painting has developed during the present century, and several sculptors have made a name for themselves beyond the confines of their island home. Music and drama serve to preserve the early songs and sagas of the Icelanders, and there are a number of composers with international reputations. A national theatre is under construction in Reykjavik and will be completed after the war. In the past the theatre has suffered from lack of funds, owing largely to the limited population.

The great majority of the people of Iceland are Lutherans.

Natural Formations

Iceland was moulded into its present shape by early volcanic eruptions and glacial activity. It is 298 miles long and 194 miles wide, with an area of about 40,000 square miles, somewhat larger than that of Ireland. The coasts are very indented except in the south, and deep fjords afford shelter to fishermen and seamen. A vast mountain plateau covers the middle part of the island, and the land slopes down to the sea in irregular formation. As a consequence, Iceland has innumerable rivers and streams. Some of these are already being used to produce electricity for town and country districts alike.

The Hot Springs

Due to the volcanic structure of the land, natural hot springs, both sulphur and clear, are found throughout the country, even in the lakes, on the sea bed and under the glaciers. These subterranean sources of heat vary as to temperature, which may reach boiling point at the surface. Some of these thermal springs are geysers that spout at definite intervals, while others are like steady wells.

Of late years this natural heat has been harnessed. The municipality of Reykjavik for some time has operated a hot-water plant for central heating and domestic use by schools, hospitals, indoor swimming pools, greenhouses and so on. When the present war broke out, preparations had been completed for a new hot-water plant for the whole town. The occupation of Denmark put a stop to the work, as materials had been ordered from that country. Last year, however, the necessary equipment was obtained in the United States, and the work was completed. Natural heat is now available throughout the year to all public and private buildings in the capital.

Climate

The climate of Iceland in the winter is much milder than might be expected from its geographical position, due to the proximity of the Gulf Stream, but

in summer the temperature is remarkably cool. The average temperature in Reykjavik is about 30°F. in January and 51·7°F. in July.

Animal Life

Apart from small rodents, only the mountain fox and reindeer are to be found in the comparatively barren island. On the other hand, there is much bird life, including ptarmigan, falcons, eider-duck, swans, and eagles. The sea and rivers abound in fish of various kinds, seals, and whales. Salmon and trout are abundant in the clear mountain streams and attract sport anglers from overseas, particularly Britain. The sea fish resources will be dealt with in a subsequent paragraph.

Occupations

Since the latter part of the last century the gradual migration of the people of Iceland from the rural districts to the towns and villages has transformed the occupational distribution of the people as shown in the following table:

	1880 Per cent	1930 Per cent
Agriculture	73·2	36·5
Fisheries	12·0	22·4
Industries	2·1	15·1
Commerce and communications	3·6	16·2

Since 1930 the number of those employed in commerce and communications has increased, while the agricultural population has steadily declined.

Agriculture

The principal industry in Iceland is still agriculture. Sheep and cattle raising rank first in importance, although market gardening has made some progress during the last few decades. On the other hand, no cereals worth mentioning are now grown, the demand being met entirely by imports.

Milk and milk products have in many places become the most important items of production. In addition to meat consumed locally, a small proportion is exported in salt and frozen

form. Other products are woollens, leather, and canned foods.

Ponies have been bred and exported to other countries, but there are few pigs, goats or fowl. During recent years there has been some breeding of fur-bearing animals, especially silver foxes.

Increased cultivation, on which the live-stock industry is based, has been due in large measure to government assistance. In 1939 treasury expenditures for agricultural schools, experimental stations, etc. amounted to approximately half a million dollars.

Fisheries

The fisheries have always been the second chief industry of the Icelandic people, and since the fourteenth century fish products have been the principal items of export. The sea around the coasts of Iceland is rich in fish and is normally visited by the fishing fleets of many nations.

Cod, haddock, herring, saithe, sole, halibut, catfish, shark, rayfish, lump-suckers, redfish, and capelan are the principal varieties, but the first three are of prime importance, cod alone accounting for 84 per cent of the catch. The main season is from February to May, when the fish are spawning off the west coast. The bulk of the fishing is done by modern trawlers, but there is also a considerable fleet of smaller craft.

Until about ten years ago, most of the catch was exported in the form of salt cod to the Mediterranean countries. This market became restricted, especially after the Spanish civil war,

and the producers turned to the export of frozen fish, principally to the United Kingdom. At the same time, increased importance was placed on by-products such as fishmeal and oil.

The herring fishery is of comparatively recent importance. In 1935, following the discontinuance of the herring monopoly, a State Herring Board was established to decide when the curing of herring is to begin and end and also to operate the monopoly in matjes herring.

Manufacturing Industry

Apart from agriculture and fishing, the only industry in earlier times was the production in rural areas of home-spun cloth and woollen goods, which were also exported. Factory industry, based on imported raw materials, did not come into existence until very recent years and is naturally on a relatively small scale.

The following list of the more important articles of local manufacture will give some indication of its present scope: hemp yarn; fishing lines, snoods, nets and floats; barrels and boxes, drums and tins; electric cookers and stoves; paint and enamel; acetylene gas and oxygen; seamen's work clothes, shirts, shoes, gloves, caps and knitted garments; handbags; soap and soap powder, beauty aids and hair lotion; shoe polish; candles; margarine, biscuits, jam and baking powder.

It is noteworthy that a number of these products have been made in Iceland only since 1939, when supplies from abroad were cut off or considerably curtailed.

MIDDLE EAST COUNTRIES: PARCEL-POST SHIPMENTS

With reference to the article in *Commercial Intelligence Journal* No. 2141 (February 10, 1945) under the heading "Exports to Middle East Countries", Mr. Richard Grew, Canadian Trade Commissioner at Cairo, writes that the Middle East Supply Centre

does not require import recommendations on parcel-post shipments of more than 11 pounds and valued at \$25 or less. Canadian regulations limit parcel-post shipments to civilians in the Middle East area to one parcel per week weighing not more than 5 pounds.

COST OF LIVING CHANGES IN SOUTHERN CALIFORNIA

By T. J. MONTY, *Acting Canadian Trade Commissioner at Los Angeles*

According to indexes of the United States Bureau of Labor Statistics, the cost of living in Los Angeles on December 15, 1944, showed a total rise over the previous year of 2 per cent for all items, $3\frac{1}{2}$ per cent for clothing and miscellaneous goods and services, and 16 per cent for house furnishings. Food and rent showed but a slight rise during the year.

Since the start of the war in Europe living costs in Los Angeles have advanced $28\frac{1}{2}$ per cent on the basis of the over-all index of all items combined. Food, a major item in the cost-of-living index, shows a rise of 52·1 per cent, while clothing and house furnishings have moved up some $37\frac{1}{2}$ per cent. Rent and fuel, which have been stabilized as from the start of price control in May, 1942, show a rise of 2·7 per cent and a decline of 6·4 per cent, respectively.

The over-all rise of 2 per cent for the year is approximately the same as for last year, but does not show the same rate of increase as during 1941 and 1942, when the increase was 10 per cent for each year. For families with fixed incomes, these increases in the cost of living are a serious matter and require drastic economies.

The increase of some 30 per cent in the price of living essentials does not tell the whole story, for the disappearance of lower-priced goods forces the consumer to the higher-priced cate-

gories, and the large increase in food prices constitutes a major portion of the family budget.

Articles for which supplies became much more limited in 1944 included certain kinds of clothing, house furnishings, cigarettes, and some food-stuffs. In particular, shortages were pronounced in many kinds of children's and infants' wear, percale house-dresses, men's work clothing, shorts and business shirts, sheets and pillow-cases, beef, butter, cheese, canned salmon, and some canned fruits and vegetables.

In primary markets the chief price increases in 1944 were for textiles, farm products, and building materials. With few exceptions, these advances were moderate. Prices of most of the basic materials required for military production, including metals and chemicals, were stable or declined.

As of December 15, wartime increases in Los Angeles living costs were as follows: food, 52·1 per cent; house furnishings, 37·5; clothing, 37·2; all items (combined), 28·5; miscellaneous, 22·5; and rent, 2·7 per cent. Costs of fuel, electricity and ice were 6·4 per cent lower.

The accompanying table, based on the average 1935-39 equals 100, shows the cost-of-living indexes for wage earners and lower-salaried workers in Los Angeles for the various categories of living essentials and at various intervals since the beginning of the war.

Cost of Living Indexes in Los Angeles, 1939-44

Date	All Items	Food	(Based on 1935-39 equals 100)			Fuel,	House Furnishing	Miscel-
			Clothing	Rent	Electricity, Ice			
1939— August 15	100.5	94.6	102.0	107.8	98.8	100.4	102.3	
1941— January 15	102.8	101.8	103.4	106.5	95.5	101.0	102.9	
1942— May 15	118.1	128.1	128.0	109.9	94.2	118.5	112.1	
September 15	121.7	137.9	127.6	110.1	94.2	118.5	112.8	
1943— December 15	126.6	143.3	135.3	110.3	92.5	119.2	121.0	
1944— October 15	128.7	143.0	139.7	†	92.5	138.4	*125.3	
November 15	128.8	143.3	*139.9	†	92.5	138.4	*125.3	
December 15	129.1	143.9	139.9	110.7	92.5	138.0	125.3	

* Revised figure.

† Not available: rents are surveyed semi-annually.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

OVERSEAS AIR SERVICES

Commonwealth Government plans for post-war overseas airline services are based on the assumption of government ownership and control. Routes in which Australia is vitally interested are the Trans-Pacific, Australia-New Zealand, and the Fremantle-Colombo section of the Australia-England service.

The Australian Government is already committed to a policy of international control and operation of trunk routes, and now to nationalization of internal inter-state lines, and is awaiting the outcome of international conferences before announcing plans for external airways. The extent to which reciprocity will be sought by other governments for facilities given Australian aircraft will be a determining factor.

For instance, an Australian-Trans-Pacific service to Canada and the United States may use American bases, and this might mean granting permission for extension to Australia of the Pan American Airways' service, which at present terminates at Auckland, New Zealand; while Netherlands East Indies landing places might be needed for alternative routes on an Australia-England service.

Incidentally, the airmail rate of Australian companies is stated to be the lowest in the world, and their passenger fares average 3.2d. a mile as compared with 5½d. a mile in the United States.

NATIONAL INCOME DURING 1944

The Commonwealth's national income has risen from an estimated £830,000,000 for the year ended June 30, 1939, to £1,350,000,000 during 1944, being an increase of 62 per cent.

The public debt during this period has grown from £1,295,000,000 to £2,366,800,000. Interest and exchange on the debt grew from £51,400,000

annually to £75,600,000, but the ratio to national income fell from 6·2 to 5·6 per cent.

Estimates of national income for the years ending June 30, 1939, to June 30, 1944, are as follows: 1939, £830,000,-000; 1940, £920,000,000; 1941, £1,-030,000,000; 1942, £1,160,000,000; 1943, £1,270,000,000; 1944, £1,350,000,000.

LOWER EXPORTS OF WOOL

For the first five months of the current trading year wool exports have fallen slightly in quality and considerably in value. Figures issued by the Commonwealth Statistician reveal a big decrease in wool shipments to America, but an increase to the United Kingdom.

For the five months ended November 30, 1944, total exports of greasy wool were 506,385 bales valued at £10,691,000 as compared with 548,601 bales valued at £13,360,000 for the corresponding period of the previous year. Britain took 290,729 bales valued at £6,017,000 as compared with 177,716 bales valued at £4,311,000 in the same months of 1943; while American purchases dropped from 351,080 bales valued at £8,568,000 at November, 1943, to 203,403 bales valued at £4,397,000 for the expired five months of 1944.

Exports of scoured wool, wool tops, noils and waste totalled 136,218 bales (£4,435,000) at November 30 last as compared with 140,638 bales (£4,409,-000) for the corresponding period of 1943. The value of purchases by Britain of these kinds of wool increased to £1,856,000 in the period under review from £1,630,000 in 1943, while that of American purchases was £1,026,000 as compared with £1,285,000.

NEWSPRINT CONSUMPTION

The consumption of newsprint has increased during the year in company with the increasing availability of papers from overseas. Publishers are

hoping for an early quota of 50 per cent of the pre-war standard.

Australian imports during 1944 rose to 70,000 tons from 25,000 tons in 1943, and it is estimated that they will exceed 100,000 tons during 1945.

Production in the Tasmanian paper mills has been maintained close to maximum, and developments are under way for the more economic production of improved qualities.

MOTOR-VEHICLE MANUFACTURE

The Federal Cabinet has approved the recommendations of the special sub-committee appointed to consider the establishment of the motor-vehicle manufacturing industry in Australia, including the manufacture of chassis and engines. In brief, the recommendations approved are as follows:—

1. The Motor Vehicle Agreement be repealed.
2. The Motor Engine Bounty Act be repealed.
3. All interested parties be invited to submit proposals for the consideration of the Government.
4. When considering the proposals received, the question of utilizing government factories for the production of component parts on a scale adequate for the maintenance of the factories as efficient units for future defence production should be examined.
5. If satisfactory proposals are not received as a result of the invitation to interested parties, the Government should set up a corporation to manufacture a complete car.
6. With a view to decentralization, financial assistance be given to enable freight equalization to be effected.

ESTABLISHMENT OF WOOL CONSULTATIVE COUNCIL

A Wool Consultative Council has been established within the Ministry of Post-War Reconstruction. It is also proposed to reconstitute the member-

ship of the Australian Wool Board, and to spend an amount of £600,000 per annum, to be raised by a tax of 2s. per bale on wool and a similar contribution per bale by the Government, on wool research and publicity.

Research work is to be carried out under three headings: primary production, wool textile industry, and general national and international economics of the wool industry and of competing and complementary fibres.

The Council for Scientific and Industrial Research is to undertake scientific and associated cost research, the Department of Commerce is to handle economic research and initiate Commonwealth and State co-operation to ensure that the results of research work are applied, and the Australian Wool Board is to be responsible for publicity.

The work of the three organizations is to be co-ordinated by an inter-departmental committee consisting of the senior officers of the departments concerned and the chairman of the Australian Wool Board.

The Wool Consultative Council is to represent all sections of the wool industry, and is to advise the Government, the departments concerned, and the Australian Wool Board on all wool problems. It includes the secretary of the Department of Commerce, representatives of the Department of Commerce and Post-War Reconstruction, the Council for Scientific and Industrial Research, the Australian Wool Board, woollen manufacturers, textile distributors, technical education authorities, the Australian Workers' Union, and the Textile Workers' Union.

Wool is Australia's most important industry. The cheque from 123,000,000 sheep is now about £70,000,000, and in pre-war days it was the only primary product being sold overseas without government subsidy.

It is intended that new manufacturing methods shall be studied with the object of making wool fabrics comparable in price with synthetic fabrics, while the economic possibilities of wool grease as a rust preventative is to be

examined extensively. It is also believed that this product can be put to pharmaceutical uses.

Money for publicity will be spent in Europe, America and the Far East, and in other countries where it is considered warranted.

Sweden .

PAPER TRADE IN 1944

In 1943 the Swedish paper industry only utilized its productive capacity to about 60 per cent. It is likely that 1944 will show a lower figure, although during December business with Denmark had increased slightly, according to the *Svensk Pappersmasse-Tidning* as reported in *The World's Paper Trade Review*.

In 1943 about two-thirds of the Swedish production was sold on the home market and only one-third exported. In 1944 exports were probably smaller than in 1943. However, the home market possibly exceeded the figures of the preceding year.

Developments were rather different for various branches and qualities. The fine-paper mills upon the whole were able to work at full capacity. In some cases the demand for the home market was so great that the mills were not even in a position to avail themselves of offers from abroad. Increased sales on the home market were partly due to the more common use of paper products as substitutes for textiles, giving an outlet for various kinds of manufacture of fine paper.

The kraft-paper mills found their export chances further limited, especially to markets within the blockaded zone. Because of the political and military developments in Europe, openings for export sales were cut down to a minimum. It is estimated that exports of kraft paper in 1944 will show a reduction by at least 15,000 tons in comparison with the 85,000 tons exported in 1943. Also for grease-proof there was a decline because of the diminished sales to the European continent.

United Kingdom

POST-WAR PROSPECTS FOR INDUSTRY IN SCOTLAND

There appear to be excellent prospects for industrial development in Scotland, and this view was underlined by Sir Stafford Cripps, Minister of Aircraft Production, during a tour of factories in the Clyde area. He said that about 100,000 people were working in Scotland for the Ministry, and he held out hopes that the wartime factories producing equipment for his Ministry would be continued after the war. Although it might not be possible for all the people now employed to be kept on, he hoped that those displaced would be absorbed in industries where the skill they had gained would not be wasted.

The Minister was much impressed by the work he had seen at one of the factories, where the most highly skilled tool-making was being done, and only women, including supervisors and setters, were employed. The only man in the place was the superintendent. All the women had been trained locally and had never done any machine work previously.

It is authoritatively stated that, of the considerable number of English firms which have established factories in Scotland during the war period, about 60 per cent intend to continue operations when hostilities cease. In addition, the Scottish Development Council have had inquiries from firms in the South for factories covering three million square feet of floor space—mostly from firms in the light engineering industries of the sort which are required to balance in some degree the heavy industries which predominate in the West of Scotland. The latter are the first to feel, and the last to recover from, a slump in world trade. It is reported that several more industrial estates will be established in Scotland after the war on the lines which have proved so successful at Hillington, near Glasgow, which was initiated and is run by the Scottish Development Council.

United States

PRICE CEILINGS ON CANADIAN LAKE FISH REVISED

With reference to the reports dealing with Maximum Price Regulation 418 as it applies to Canadian fresh lake fish when sold in the United States, published under the title "United States Price Ceilings on Canadian Fresh-water Fish" in *Commercial Intelligence Journal* Nos. 2096 and 2105 (April 1 and June 3, 1944, respec-

tively), Mr. L. H. Ausman, Assistant Trade Commissioner at New York, writes that Amendment No. 42 has been issued providing for increases ranging from one-half cent to three cents a pound in producers' prices from November to March inclusive.

The species of Northern Canadian lake fish to which the increases apply are whitefish, tullibee, lake trout, yellow pike, suckers, pickerel, sauger and yellow perch.

TRADE REGULATIONS AND TARIFF CHANGES

Colombia

CONSULAR FEES

Mr. R. Rocha-Schloss, Consul General of Colombia in Montreal, writes that, according to recent requirements of the Colombian Government, all documents to be legalized by Colombian consulates must, as from January 1, 1945, bear Colombian Foreign Service stamps. The documents must, therefore, be handed in to the consulates in the Dominion of Canada, fees being payable in accordance with the following tariff (amounts are in Canadian currency):—

Passenger lists	\$2.75
Ships' stores lists	2.75
Crew lists	2.75
Set of bills of lading.....	2.75
Set of consular invoices (original and 3 copies)	4.40
Extra copies of consular invoices.....	2.75
Bills of health.....	9.35
Amended statement	4.95
Additional sheets to each previous document	1.10
Legalization of firms' signatures.....	4.95
Certificates	4.95

The price of consular invoice forms is 27½ cents each or \$1.10 for the set of four. The usual 15 cents which the banks charge on cheque payments, plus

the cost of postage, must be added to fees for documents sent by mail.

INVOICING OF AIR-EXPRESS AND PARCEL-POST SHIPMENTS

Mr. Rocha-Schloss also advises that, according to regulations now in force, air-express shipments to Colombia, regardless of value, and parcel-post shipments valued at less than 50 Colombian pesos (about \$28) do not require the separate form of certificate of origin which was previously supplied free of charge by Colombian consulates. Instead the shipper must make the following declaration in Spanish on the commercial invoice:—

Certificamos bajo juramento que los precios de esta factura son los mismos que cargamos al cliente y que la mercancía a que se refiere esta misma factura es originaria de.....(Country of Origin)..... En fe de lo expuesto firmamos la presente declaración en (City) et (day) de (year)....

.....
Signature of Shipper

The above shipments do not require consular certification. For other kinds of shipments the foregoing declaration is on the back of all consular invoice forms and the signature is legalized by the Consul free of charge at the same time as certification of consular invoices is given.

SUBSCRIPTION RATES

The *Commercial Intelligence Journal* is published in English and French and is issued every Saturday by the Department of Trade and Commerce.

Subscription prices for either edition are: \$1 per annum in Canada, single copies 5 cents each; \$3.50 per annum outside Canada, single copies 10 cents each.

Subscription orders should be addressed to the King's Printer, Government Printing Bureau, Ottawa, and remittances may be made by post office or express orders, or by drafts or cheques, payable at par in Ottawa.

Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 12, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 12, 1945, and for the week ending Monday, March 5, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Mar. 5	Nominal Quotations in Montreal Week ending Mar. 12	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.866 Bid Offer	4.4200 4.4800	4.4200 4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2775	.3304 .2777	3½
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½
Colombia	Peso	.9733	.6343	.6336	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	—
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VEHSLER, Commercial Attaché, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy, 62 rue du Faubourg Saint Honoré, Paris. *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—
Census of Canada.

Statistical bulletins respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1945. (Price 25 cents.)

Canada Year Book. (Price \$2.) (Out of print.)

Trade of Canada, External: Annual Report, Calendar Year: Part I, Summary and Analyses; Part II, Exports; Part III, Imports.. (Price \$2 each part.)

Trade, Internal: Prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1.00 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). **Weekly** (Price \$1 per annum).

24 CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo da la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom. (Until further notice, trade inquiries should be addressed to the Johannesburg office.)*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

London: J. A. Langley, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucom.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United Kingdom.

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

241

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TABLE OF CONTENTS

	Page		Page
United Kingdom Agricultural Prices, 1945-46	241	Economic, Trade and Production Notes	253
Canada's International Trade in Securities in 1944	242	Mail Service and Remittances to Greece	255
Iceland as a Market: II. Iceland's Foreign Trade	247	Canada's Domestic Exports in February	255
Southern California's Economic Future	252	Foreign Exchange Quotations	258
		Commercial Intelligence Service	259

UNITED KINGDOM AGRICULTURAL PRICES 1945-46

By J. A. Langley, Canadian Trade Commissioner at London

In accordance with the procedure outlined in a report published in *Commercial Intelligence Journal* No. 2135 (December 30, 1944), page 601, Agricultural Departments of the United Kingdom, in consultation with the National Farmers' Unions, have conducted a review of the general financial position of agriculture. The review was based on economic and financial data accepted by the Departments and the Unions as providing a sound basis for an assessment of the financial position of United Kingdom agriculture and as a reliable guide to the relative position of the various commodities.

After considering the results of that review and taking account of national food requirements, particularly in the next two years, and after considering also the views of the Milk Marketing Boards on milk prices, the Government has decided on the following changes in the existing and announced prices for the principal crops, live stock and live-stock products.

Crops from the 1945 Harvest

Potatoes (excluding First Earlies).—An over-all increase of 10s. per ton.

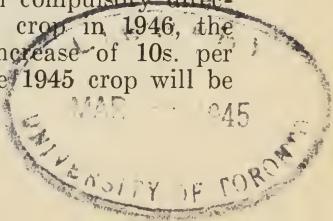
Sugar Beet.—An over-all increase of 5s. per ton.

Cereals (wheat, barley, oats, rye and dredge corn).—No change.

Weather conditions in the autumn and early winter months of 1944 reduced substantially the sowing of winter wheat. It is desired that full use should be made, wherever conditions are suitable, of the improved varieties of spring wheat now available, but directions will not be issued or enforced for the growing of wheat for the 1945 harvest.

Crops from the 1946 Harvest

Potatoes (excluding First Earlies).—If it proves possible to allow an appreciable relaxation in compulsory directions to grow this crop in 1946, the over-all average increase of 10s. per ton allowed for the 1945 crop will be withdrawn.



Sugar Beet.—The 5s. per ton increase in 1945 sugar beet prices will also be withdrawn if the position improves sufficiently.

Wheat and Rye.—If the world food situation permits, compulsory directions will not be issued for the growing of these crops in 1946, and the acreage payment will then be reduced from £4 to £2 per acre. Subject to any self-balancing changes in the seasonal range of prices of wheat which may be decided upon after consultation with the National Farmers' Unions, the prices per cwt. of these two crops will remain unchanged.

Barley.—The guaranteed minimum price of millable barley will be reduced from 90s. to 80s. per quarter.

Live-stock Prices for the Years ended June 30, 1945 and 1946

Fat Cattle.—Prices will be adjusted so as to produce an over-all average increase equivalent in a full year to 2s. 6d. per live cwt. on fat steers,

heifers and cow-heifers. The question as to whether part of this increase should be allotted to fat cows and bulls is being further discussed with the National Farmers' Unions.

Fat Sheep and Lambs.—Prices will be adjusted so as to produce an over-all average increase in a full year of $\frac{3}{4}$ d. per pound dead weight.

Fat Pigs.—An average over-all increase in a full year of 1s. per score dead weight.

Eggs.—An increase of 2d. per dozen on eggs purchased by packing stations (on and from June 28, 1945).

The price increases for pigs and eggs take account of the limited improvement in ration scales for these classes of stock that took effect on January 1, 1945, and the level of production that may be expected on the basis of the supplies of feeding-stuffs of all kinds, including swill and other waste materials, that are likely to be available during the next year.

CANADA'S INTERNATIONAL TRADE IN SECURITIES IN 1944

By C. D. BLYTH, *Chief, International Payments Branch, Dominion Bureau of Statistics*

An important part of the movement of capital between Canada and other countries is represented by the international trade in securities and there are significant changes in the international investment position of Canada arising from international dealings of this kind. While the accompanying statistics cover the major part of the international trade in outstanding securities between Canada and other countries, it should be noted that new issues of Canadian securities sold outside of Canada and the retirement of Canadian securities held outside of Canada are not included.

With the restrictions upon the export of capital from Canada introduced at the start of the war the transactions recorded as purchases of securities by Canada in the following statistics represent for the most part the reinvestment of proceeds from sales of securities

formerly held. In 1943 and 1944 there was greater freedom permitted in making these switches than formerly when these were limited to similar types of securities. An important exception to the limitations upon purchases by Canadians is in the trade with the United Kingdom, in which re-purchases by residents of Canada are permitted.

Inflow of Capital from United States

The principal development in recent years in these capital movements arising from trading in outstanding securities has been the record level of the inflow of capital to Canada from the United States. The largest part of this has arisen from the sale of Canadian bonds to United States investors. American demand for these securities first reached exceptional levels early in 1942. Sales of Canadian securities to

the United States since then have been much heavier than in any other period for which records are available.

This inflow of capital reached its highest level in 1943, when net sales of outstanding securities of all kinds to other countries amounted to \$172 million. Although the level of net sales in 1944 fell off to \$97 million, this was still unusually high, being more than in any peacetime year. An analysis of the trade in 1944 follows.

Sales of outstanding Canadian bonds to the United States, the principal element of the capital inflow, amounted to \$90 million in 1944 as compared with \$150 million in 1943 and \$96 million in 1942. As these figures exclude some direct sales in the United States not executed by agencies reporting transactions monthly, the total of all outstanding Canadian bonds sold in the United States was even heavier than these figures indicate. The volume of international trading in Canadian stocks continued to expand in 1944. While sales and purchases of Canadian stocks between Canada and the United States were mainly offsetting, there were substantial re-purchases from the United Kingdom.

Accompanying this increase in Canadian indebtedness arising from sales of Canadian securities has been a reduction in Canadian holdings of United States securities. The liquidation of Canadian holdings of United States securities was about \$18 million in 1944 as compared with \$25 million in 1943 and \$10 million in 1942. Most of this liquidation was from sales of United States stocks. Not included are some retirements of United States securities held by Canadians. Liquidations of holdings of British and other

foreign securities were relatively light, amounting to about \$3.7 million in 1944.

Transactions with the United States

Transactions with the United States constituted over 91 per cent of the total volume of trade in 1944 as compared with over 95 per cent in 1943. The largest part of these originated in the bond trade. Of the total net sales of securities to the United States in 1944 of \$112.9 million, net sales of Canadian bonds account for about \$90 million. Each group of Canadian bonds was sold on balance.

As in 1943, net sales of Dominions, Dominion guarantees, and provincials made up most of the total, amounting to \$23.0 million, \$14.2 million and \$27.2 million, respectively, as compared with \$62.6 million, \$31.7 million and \$37.0 million for the same groups in 1943. Net sales of municipals, unguaranteed railway and other corporation bonds were \$9.5 million, \$6.5 million and \$10.2 million, respectively, in 1944. In 1943 there were net sales of \$6.6 million municipals, \$1.0 million unguaranteed railway bonds and \$8.9 million of other corporation bonds. There were also net sales of \$1.7 million unclassified bonds to the United States.

New issues and retirements of Canadian securities in the United States are not included in the statistics of the trade in securities. There were a number of new issues of Canadian securities, payable in United States funds, which were sold in the United States in 1944 by various provinces and municipalities for the purpose of refinancing maturing or called issues. Some corpor-

Sales and Purchases of Securities between Canada and Other Countries, by Countries, 1943 and 1944

	Sales to		Purchases from		Net Sales (+)	
	1943	1944	1943	1944	Net Purchases (-)	
					Millions in Dollars	1943
United Kingdom	0.1	0.5	10.7	19.2	—	10.6
United States	264.0	206.3	83.1	93.4	+180.9	+112.9
Other countries	3.8	6.1	1.9	3.3	+ 1.9	+ 2.8
Total, all countries	267.9	213.0	95.7	116.0	+172.2	+ 97.0

Analysis of Trade in Securities between Canada and Other Countries in 1944

	Total Sales	Total Purchases	United States	United Kingdom	Other Countries
	\$	\$	Sales to Purchases from	Sales to Purchases from	Sales to Purchases from
Bonds and debentures, total.....	139,582,499	53,227,640	133,931,566	38,816,750	5,333,972
Canadian new issues.....	4,664,466	211,605	316,961	11,855,095	264,861
Canadian outstanding issues:					
Dominion.....	39,784,045	13,963,432	35,886,415	12,900,252	75,034
Provincial.....	28,346,829	3,490,284	28,326,522	1,141,385	2,327,873
Municipal.....	10,936,221	6,045,945	10,918,750	222	4,681,399
Railway, other.....	14,550,609	4,611,362	14,535,009	391,787	17,471
Other corporations.....	8,513,465	3,334,067	8,387,823	2,837,545	436,548
United States new issues:					
Government.....					
Other.....					
United States outstanding issues:					
Government.....	5,282,571	7,237,227	5,282,571	7,236,577	507
Other.....	6,269,292	3,263,377	2,269,292	3,261,441	507
United Kingdom new issues:					
Government.....					
Other.....					
United Kingdom outstanding issues:					
Government.....	128,666	169,589	114,113	14,553	1,650
Other.....	781,963	60,084	672,207	164,382	507
Other countries' new issues.....					
Other countries' outstanding issues.....					
Unspecified bonds and debentures.....					
Common and preference stocks:					
Canadian.....	41,542,501	41,856,331	33,641,825	33,922,538	124,247
United States.....	37,847,137	20,533,826	37,829,373	20,199,573	14,643
United Kingdom.....	713,847	136,499	649,799	99,988	63,975
Other countries.....	2,322	15,715	1,048	14,595	7,419
Short-term securities (1 year or less).....	251,745	396,006	251,745	394,954	1,052
Other securities:					
Canadian.....	7,084	8,383	7,084	5,804	2,560
United States.....	618		618		
United Kingdom.....	2,135		2,135		
Total.....	212,949,888	115,974,400	206,315,193	93,454,210	519,826
					6,114,869
					3,316,374

*Sales and Purchases of Securities between Canada and Other Countries, by
Nationality and Class of Security, in 1944*

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Canadian securities, total.....	152,850,941	79,228,312	146,587,414	56,978,020	425,399	19,011,245	5,838,128	3,239,047
Bonds and debentures.....	118,301,356	37,363,598	112,938,505	23,049,678	301,152	11,829,859	5,061,699	2,484,061
Common and preference stocks.....	34,542,901	41,856,331	33,641,825	33,922,538	124,247	7,178,826	776,429	754,967
Other securities.....	7,084	8,383	7,084	5,804	...	2,560	...	...
United States securities, total.....	49,399,618	31,374,901	49,381,854	31,237,070	14,643	130,772	3,121	7,059
Bonds and debentures.....	11,551,863	11,041,075	11,551,863	11,037,489	...	1,000	...	2,586
Common and preference stocks.....	37,847,137	20,333,826	37,829,373	20,199,581	14,643	129,772	3,121	4,473
Other securities.....	618	...	618	...	...	...	...	...
United Kingdom securities, total.....	1,626,611	308,245	1,438,254	266,527	79,784	41,718	108,573	...
Bonds and debentures.....	910,629	171,746	786,320	166,539	15,809	5,207	108,500	...
Common and preference stocks.....	713,847	136,499	649,799	99,988	63,975	36,511	73	...
Other securities.....	2,135	...	2,135	...	...	...	...	...
Other countries' securities, total.....	3,084,554	657,321	2,919,507	568,024	...	19,029	165,047	70,268
Bonds and debentures.....	3,082,232	641,606	2,918,459	553,429	...	19,029	163,773	69,148
Common and preference stocks.....	2,322	15,715	1,048	14,595	...	1,274	1,274	1,120
Other securities.....	...	...	...	...	...	...	...	...
Short-term securities (1 year or less).....	251,745	396,006	251,745	394,354	...	1,052	...	...
Unspecified bonds and debentures.....	5,736,419	4,009,615	5,736,419	4,009,615	...	...	...	...
Total.....	212,949,888	115,974,400	206,315,193	93,454,210	519,826	19,203,816	6,114,869	3,316,374

*Sales and Purchases of Securities between Canada and Other Countries,
by Securities, 1944*

	Sales	Purchases	Net Sales (+) Millions of Dollars
			Net Pur. chases (-)
Total, all securities	213.0	116.0	+97.0
Canadian bonds	118.3	37.4	+80.9
Canadian stocks	34.5	41.8	- 7.3
Total, Canadian securities	152.8	79.2	+73.6
United States bonds	11.5	11.0	+ 0.5
United States stocks	37.8	20.3	+17.5
Total, United States securities	49.4	31.4	+18.0
Other securities, including unspecified bonds.....	10.7	5.4	+ 5.3

ation issues were also sold privately in the United States in order to refinance outstanding issues held there.

New Canadian bond issues sold in the United States in 1944 had a total par value of approximately \$93 million. There were a number of other issues owned in the United States which were redeemed during the year, besides the issues refinanced by these new securities. Principal among these was the issue of \$56,704,000 Canadian National Railway guaranteed 5 per cent bonds maturing July 1, 1969, which was called for redemption. Total retirements of Canadian securities in the United States during the year exceeded total sales of new issues by a considerable amount.

Dealings with the United Kingdom

Net repurchases of securities from the United Kingdom reported amounted to \$18.7 million in 1944 as compared with \$10.6 million in 1943. Purchases of Canadian stocks were over \$7 million and repurchases of Canadian bonds, mainly provincials, municipals and other corporations, amounted to over \$11 million in 1944.

These figures do not include some direct purchases of non-Canadian securities in the London market not made through the agencies reporting these statistics. Also excluded are official repatriations of Canadian securities held in the United Kingdom. The latter transactions have been negligible in the last two years, although substantial earlier.

Official repatriations in the early years of the war amounted to \$75 million in 1939, \$137 million in 1940, \$189

million in 1941 and \$296 million in 1942. The repatriated issues, totalling approximately \$700 million, have been almost all Dominion of Canada and Canadian National Railway issues. Redemptions of Canadian bonds held in the United Kingdom were not large in 1944.

Net sales of securities to countries other than the United Kingdom and United States amounted to \$2.8 million in 1944. Sales of Dominion issues make up most of this total.

Carnauba Wax

The carnauba tree (*Copernicia cerifera*) is called "arvore de vida" (tree of life) in Brazil, for it supplies man with many products of great utility, of which wax is the most important.

The wax is extracted from the leaves of the majestic palm which is a native of Brazil, the only country in which it is found. It grows in the arid zones of northeastern Brazil in stands extending over hundreds of square miles. Until quite recently extraction methods were rather rudimentary with the result that 25 per cent or so of the wax was wasted. Partly because of the great demand for the wax, modern extractors have lately been brought into use, speeding up the extraction process and cutting losses materially.

Carnauba wax is used extensively in the soap industry, and in the manufacture of floor wax, candles, wax-paper, varnishes, phonograph records, and insulated wire.

ICELAND AS A MARKET

A REVIEW FOR CANADIAN EXPORTERS

By L. H. AUSMAN, *Assistant Trade Commissioner at New York*

II. Iceland's Foreign Trade

Owing to the small variety of products which Iceland has to offer in exchange for the goods of other countries on which she has always been dependent, foreign trade, both import and export, has assumed a prominent place in the economy of the country. On the basis of population it outranks all other countries at the present time. Even in 1939, however, Iceland's trade per capita was substantial when compared with that of other countries, as shown in the table hereunder:

Comparative Trade per Capita

	1939	1942
New Zealand	\$249	\$293
Denmark	190	*
Norway	186	*
Switzerland	184	*
Iceland	175	566
Sweden	173	*
Belgium	172	*
Netherlands	161	*
Canada	148	344
United Kingdom	135	*
United States	43	88

* Not available.

It will be noted that, while the per capita trade values for the United States and Canada have more than doubled in this period, that of Iceland has trebled. For all countries part of this increase is due to a substantial rise in prices.

Exports

By far the greater proportion of the exports of Iceland consist of fish and fish products. Most important now, both in volume and value, is fresh and frozen fish, although until less than ten years ago salt fish was the predominant item of export. Cod-liver and herring oil, fishmeal and roes, cured herring, canned fish, and sealskins are the other principal items in this group.

Agricultural exports include frozen mutton, sheep casings, sheep, and fur skins and eiderdown.

By countries of destination, Iceland's exports in 1939 and 1943 were as follows:

Iceland's Exports by Countries

	1939	1943
	1,000 Kronur *	
Great Britain	12,269	190,190
Sweden	8,735	....
United States	7,747	39,914
Norway	7,670	....
Germany	7,608	....
Denmark	6,674	....
Portugal	5,358	....
Italy	4,800	....
Netherlands	4,640	....
Brazil	1,560	....
Greece	1,068	....
Other countries	2,407	2,915
Total	70,536	233,019

* The Canadian dollar is equal to 5.92 kronur.

The "other countries" receiving goods from Iceland in 1943, with values of exports in thousands of kronur, were Spain, (1,670), Eire (816), Faroe Islands (367), Australia (50), Greenland (8), and Canada (4). Exports to Canada have fluctuated between 1,000 kronur in 1942 and 194,000 kronur in 1940.

Imports

Until the beginning of the present century, practically all commission and wholesale business was in Danish hands. It could not be carried on locally until cable connections were established in 1906. Reykjavik soon after that became the centre of Icelandic commerce, close to 90 per cent of the wholesale business being carried on there.

The co-operative movement, beginning in 1881, was a factor of considerable importance in directing trade into the hands of the Icelanders themselves. In 1917 a Federation of Co-operative Societies was formed, and by the outbreak of the present war 47 societies had a membership of 16,300.

The principal commodities imported are:

Materials for the Manufacture of Food: Flour, coffee, chicory, rye and rye meal, cocoa beans, and shells.

Goods for Agricultural Production: Seeds, animal fodder, and fertilizer.

Goods for Manufacture and Trade: Timber, iron, steel and other metals, chemicals, cement, salt, tanning materials, hides and skins, barrels and cooperage stock, paper, textile piece-goods, yarns, ropes, lines and nets, linoleum and window glass.

Vegetable and Animal Fats and Oils: Chiefly oil for the manufacture of margarine.

Fuel and Oil: Coal, coke, paraffin, petrol, and lubricating oils.

Agricultural and Industrial Machinery: Machines, tools, ships, and motive equipment.

Food for Consumption: Fruit (fresh and dried), potatoes, vegetables, spices, rice, oats, potato flour, sugar, cocoa and cocoa products, wines and spirits.

Miscellaneous: Cigars, cigarettes and tobacco, clothing, medicines, books, paper, toys, household utensils, bicycles, and automobiles.

By countries of origin, Iceland's imports in 1939 and 1943 were as follows:

Iceland's Imports by Countries

	1939	1943
	1,000 Kronur *	1,000 Kronur *
Great Britain	15,604	58,153
Denmark	14,003	...
Germany	10,413	...
Norway	5,890	...
Italy	5,427	...
Sweden	4,884	...
United States	2,316	159,464
Curacao	1,309	...
Poland and Danzig	961	...
Netherlands	937	...
Belgium	795	...
Spain	510	55
Brazil	352	2,588
Canada	330	20,890
Other countries	432	6,726
Total	64,163	247,876

*The Canadian dollar is equal to 5.92 Kronur.

The "other countries" supplying Iceland in 1943, with values of imports in thousands of kronur, were Switzerland (2,008), Cuba (156), India (142), Eire (100), Jamaica (40), Faroe Islands (33), not specified (4,247).

Trade Control Before the War

During the depression years of the early 1930's, a change gradually took place in the character of Iceland's trade. Following a serious deterioration in the salt fish markets in the

Mediterranean countries during this period, special efforts were made to achieve a favourable trade balance. Generally speaking these efforts took the following forms:

1. *Diversification of Industry.*—This resulted in an expanded herring industry, erection of refrigerating stores, a greater variety in the type of fish produced for export, and more industrial production using imported raw materials.

2. *New Markets and Control of Imports.*—Price equalization agreements with such countries as Germany, Italy and Spain provided outlets in those countries in exchange for guaranteed markets for the products of those countries in Iceland. By the end of 1934 numerous products had been made subject to import licensing in Iceland and a law of January 9, 1935, extended this requirement to all imports.

Effect of the War on Iceland's Trade

The foreign trade of Iceland has undergone more radical changes since the outbreak of war than during any equally short period in the history of the country. Trade with countries formerly purchasing about 64 per cent of her exports and supplying nearly 70 per cent of her import requirements has been entirely shut off. Instead it has been channeled to three countries. The United Kingdom, the United States and Canada received 97.6 per cent of Iceland's exports and supplied 97.4 per cent of its imports in 1942.

The total trade with foreign countries has increased greatly in value since the outbreak of war, as the following figures show:

Statistical Summary of Iceland's Trade

	Imports Millions of	Exports Millions of	Total Trade Kronur	Balance Kronur
1938....	50.5	58.6	109.1	+ 8.1
1939....	64.2	70.5	134.7	+ 6.4
1940....	74.2	133.7	207.2	+58.8
1941....	131.1	188.6	319.7	+57.5
1942....	247.7	200.6	448.3	-47.1
1943....	247.9	233.0	280.9	-14.9

The increase in the value of exports is due almost entirely to price increases, the volume increasing by slightly over

7 per cent as against a fourfold rise in the price of exported commodities. With regard to imports, however, the volume has doubled while the value has shown a fivefold increase.

The reason for these increases in recorded value may be stated as:

1. The devaluation, by 22 per cent, of the krona in 1939.

2. Increased value, both of imported and exported goods, on the world market, particularly after the outbreak of war.

3. High transportation and insurance costs, coupled with the greater distances which imports must be carried.

The larger volume of imports is due to increased purchasing power of the people, purchases by foreign troops, and occupation authorities, and the increased quantity by weight of goods required for further processing in Iceland.

Wartime Trade Agreements

At the outset of the war an Icelandic trade commission in London cleared the way for closer co-operation with the United Kingdom in trade matters. When the country was occupied by British forces in May, 1940, it was assumed that the bulk of the trade would be with Britain, and it was arranged that Iceland would be kept supplied with essential civilian requirements. Provision was made, however, to use a portion of Iceland's assets in Britain for the purchase of goods from other countries if these became unobtainable in the United Kingdom. Simultaneously the British authorities negotiated for the purchase of the bulk of Iceland's exports.

In June, 1941, Iceland made an agreement with the United States whereby that country took over the military protection of the island, so strategically located in the North Atlantic. In this agreement Iceland was promised favourable trade conditions, and accordingly a trade commission was sent to Washington in the autumn of 1941. At a later stage an

Iceland Purchasing Commission was formed, with headquarters in New York, to facilitate the purchasing of goods from the United States and Canada.

Under the terms of the agreement with Iceland, the United States Government became a party to the Anglo-Icelandic trade agreement and conceded that Iceland's exports to Britain should come under the lend-lease arrangement between the United States and the United Kingdom. In other words, Iceland received payment in dollars for her exports to Britain and could, therefore, increase her purchases in the United States without restriction.

At the same time Iceland was guaranteed supplies of various essential commodities which had become scarce on account of the war. These included, among others, iron, steel and other metals, machines, tires and tubes, rubber footwear, sole leather, margarine, oils, etc.

Financial Conditions

Although it will be noted from figures given above that during the period 1938-43 Iceland had a favourable trade balance of 68,800,000 kronur, this does not give a complete picture of the financial position of the country. At the beginning of 1939, Icelandic banks owed 8,908,000 kronur abroad, but at the end of 1943 their assets were 446,618,000 kronur. This change was due in large part to the services made available to foreign governments whose forces have been stationed in Iceland.

This favourable financial and trade position has been accompanied by an increase in the cost-of-living index from 100 at the beginning of 1939 to 274 at the end of 1944.

Future Trade Prospects

During the war years the foreign trade of Iceland has expanded under the prevailing unusual conditions. In some fields it has been possible to meet the nation's requirements better than ever before. At the same time the country has been freed of its overseas

debts and has accumulated considerable bank credits abroad. There is little foundation, however, for assuming that this condition can continue indefinitely. During the past two years the trade balance has shown an import surplus. Like any other country, Iceland must in the long run balance her imports and exports, both visible and invisible. When American forces leave the country, the Icelanders will have an opportunity to determine whether the measures adopted to build up a diverse local production and encourage exports will have a lasting benefit. In any event the people of Iceland will have established useful trade connections with the three countries with which her war economy has been linked, and it may reasonably be assumed that many pre-war markets will again be available for Iceland's exports. The diversification which has been achieved should make it possible for the country to maintain a relatively high level of imports, even when the foreign forces are withdrawn. Much, of course, depends on the world level of prices for fish, the product with which Iceland's economy is, and will continue to be, so closely bound.

Additional Facts for Exporters to Iceland

The following notes should be of interest and benefit to Canadian exporters to Iceland:

Towns.—As mentioned previously, about 90 per cent of the wholesale houses in Iceland are located in Reykjavik, the capital and principal port. Fifty per cent of the retail houses are also located there. The other towns are of relatively minor importance and include Akureyri, Hafnarfjordur, Vestmannaeyar, Isafjordur and Sigrufjordur.

Ports.—All goods now enter Iceland through the port of Reykjavik, in order to save time and make most effective use of the available steamship services. In normal times, however, vessels call at some of the other towns on the north coast as well.

Shipping.—Vessels of the Iceland Steamship Company now operate between Iceland and the United Kingdom, Canada and the United States. Canadian shipments are normally routed through the port of Halifax. Before the war the Iceland Steamship Company maintained scheduled sailings also to Germany and Denmark. Norwegian and other foreign lines maintained services to Iceland, while chartered ships carried fish to the Mediterranean and elsewhere.

Air Services.—The most direct passenger service between Iceland and North America is by air, and this means of travel should increase greatly in the post-war period, as the country is likely to be on the proposed trans-Atlantic air routes.

Internal Transportation.—Travel is very difficult in Iceland. Only about 5,000 miles of road are suitable for motor traffic. There are no railways, and motor vehicles are now the chief means of transport.

Communications.—The first cable to Iceland was laid from Scotland in 1906, and in the same year the inland telephone and telegraph system was installed. Direct communications from North America are now available by commercial radio. Standard time in Iceland is four hours in advance of Eastern standard time.

The first-class postage rate from Canada to Iceland is 5 cents for the first ounce and 3 cents for each additional ounce. Printed matter is sent at the rate of two ounces for 1 cent and samples at four ounces for 2 cents. Parcel-post rates and regulations are available from Canadian Post Offices on application.

Currency.—The unit of currency is the krona, which was originally of the same value as its other Scandinavian counterparts. Before the war it was worth about 22 cents and now approximately equals 17 cents Canadian.

Banks.—There are three banks in Iceland, all with head offices in Reykjavik and branches in some of the more important towns. These banks are: Bunadarbanksi Islands (Rural Bank of Iceland), Landsbanki Islands (National Bank of Iceland), Utvegsbanki Islands h.f. (Fishery Trade Bank of Iceland Ltd.).

Customs.—Until recently customs duties in Iceland were almost entirely imposed for revenue purposes, but in later years the tariff policy has tended towards protection of home industries. During the latter part of the nineteenth century, revenue duties were placed on wines and spirits, tobacco, coffee, and sugar. In 1912 nominal specific duties were applied to most imported articles on a weight basis, many of them being still in effect. In 1924 a temporary revenue-producing ad valorem duty was levied on several articles and it has gradually been raised and made to cover more and more classes of goods. Increases were particularly extensive in 1935 and 1937.

About 1880 an export duty was imposed on fish, cod-liver oil, etc. Since then similar duties have been applied to certain other exported goods, mainly sea products.

Methods of Trading.—Foreign supplies are brought into the country by importers, who are usually also wholesale distributors, or by the Federation of Iceland Co-operatives, who buy on behalf of their member societies and also act as general distributors. During the war a group of independent importers formed the Union of Importers for the purpose of joint buying in the restricted markets. Both the Federation and the Union maintain offices in New York. Several Icelandic firms have buying offices or agents in New York, while others make use of the services of established export houses in that city. In still other cases representatives of the firms in Iceland make periodic visits to the United States and Canada.

Documentation.—No consular documents are required covering shipments to Iceland. However, commercial invoices, certified by the shipper, should accompany the goods or arrive in advance of the shipment. Such invoices should show: a careful description of the goods; terms of sale and payment; date of sale; the currency in which prices are calculated; unit price and total value of each class of goods; net and gross weights; marks, numbers and kind of packages; discounts or allowances.

All expenses to the port of importation should be included in the invoice or in a supplementary statement.

Wartime Controls.—The Icelandic Trade Control Board supervises imports, foreign exchange and domestic prices. When import permits are granted, foreign exchange is generally provided automatically, although applications for the remittance of funds must be made to the Board before the goods are ordered.

Weights and Measures.—The metric system of weights and measures is used in Iceland.

Packing.—No special method of packing is required for Iceland. The usual export containers are recommended.

Advertising.—If undertaken, advertising should be supervised by Icelandic agents of Canadian exporters. The media, whether trade publications or newspapers, should be adopted on the advice of the agent.

Catalogues.—As English is generally understood, catalogues in that language will be quite satisfactory to prospective importers and agents.

Newspapers.—The principal newspapers in Reykjavik are *Morgunbladid*, *Visir*, *Althydubladid*, *Thjodviljinn* (dailies) and *Timinn* and *Isafold* (three times a week).

Passports and Visas.—Passports visaed by the Icelandic Legation in Washington or the Icelandic Consulate General in New York are required by Canadians who visit Iceland. Under present conditions, travel to Iceland is subject to the approval of the United States occupation authorities.

References.—The official statistical year book of Iceland was last published in 1936; it is expected that it will be revised as soon as possible after the

war. Information regarding the country may be found in encyclopaedias and in numerous descriptive books that have been published in recent years. A quarterly survey, principally on the cultural side, appears in the *American-Scandinavian Review*, published in New York.

The Canadian Trade Commissioner in New York will be pleased to answer inquiries from Canadian firms interested in the Iceland market for their products.

SOUTHERN CALIFORNIA'S ECONOMIC FUTURE

By T. J. MONTY, *Acting Canadian Trade Commissioner at Los Angeles*

The remarkable industrial development in Southern California has given rise to some anxiety in regard to the transition period from war to peace, and the economic readjustments which are expected to take place in the post-war period. This has been the subject of study and discussion as the main theme of the Fourth Institute of Economics and Finance at Occidental College, Los Angeles, the problems relating thereto being reviewed by various persons participating in this Institute from the point of view of agriculture, foreign trade, industrial development, and the relation of population growth to these various economic factors.

Agriculture

Concerning agriculture, the view is taken that the growth of population during the war, resulting from the rapid expansion of industry, is likely to provide an increased market for agricultural production in the region. The population trend is envisaged as showing prospects of expansion in the post-war period from a present population of some 3,200,000 in Los Angeles County to 3,800,000, a likely figure within a few years.

Some dislocation is likely to follow during the transition and reconversion period—in fact, this is already apparent in certain cutbacks in shipbuilding, especially in the northwestern states, and in aviation employment—but the

long-run prospects favour an increased population, due to attractions of climate and opportunity. As for people on the land, no great increase is expected in view of improved production methods, increased use of machinery, etc.

The increase in population is therefore expected to be more urban than rural, and agricultural population is expected to remain stable for some time to come.

Such developments as food processing, dehydration, frozen foods, and citrus fruit concentrates will no doubt offer increasing opportunities in urban centres.

The trend from service in trade to manufacturing and industrial occupations, the latter showing an increase of 200 per cent during the war, is likely to be reversed during the transition or reconversion period, subject to a reversal to industry as and when opportunities provide.

Trade

Foreign trade is expected also to provide growing employment in the future for the West Coast and Southern California as the result of increased opportunities derived from growing industrial and manufacturing developments in this area and the necessity of finding outlets for the products of industry. It is estimated that import and export trade provided some 200,000

jobs in pre-war times, and an increase is expected in this field of endeavour.

One aspect of this question is the solution of domestic problems to provide better markets for imports, which in turn will open up increasing opportunities for exports by providing means of payment, thus the necessity of the area becoming more import-minded in order to maximize imports as well as exports. A good deal of agricultural production, such as deciduous and citrus fruits, dates, raisins, nuts, etc., finds its way into export channels and the expansion of markets for these goods is anticipated.

Industry

Recent industrial expansion on the West Coast and especially in Southern California has been concentrated largely on shipbuilding and aircraft production, but post-war plans look towards diversification along pre-war lines, which would not render the area so vulnerable to economic disturbances. This applies, apart from the food and allied lines and the motion-picture industry, to apparel, textiles, electrical goods, furniture, automobile branch plants (second to Detroit), tires (second to Akron), all of which will contribute towards a more stable economic structure.

There is undoubtedly a trend towards heavy goods and machinery, which is the result of the development

of the steel and other basic industries in this area, a development necessitated by war demands. A metallurgical industry serves as a basis for many subsidiary and allied industries, electrical goods, etc. Apart from heavy metals, which are fundamental, there are also developments in the non-ferrous light-metal fields such as magnesium, aluminum, etc., which are not always competitive but very often integrate into each other, opening up wider fields of opportunity.

It is anticipated that steel will be produced at competitive prices with the East, especially as local production is not expected to provide half of the local market's requirements for some time; and there is also to be considered the external markets in the Pacific basin, especially the Orient, and the opportunities offered by waterborne commerce.

In summary, the transition period is likely to provide problems which are psychological and unexpected, and which may not be solved by plans and blueprints. In any case a considerable amount of thought is being given to such plans by national, state, business and local government agencies, who are working to provide more employment for the expanded population and the returning servicemen, and looking to the long-range economic and industrial development of Southern California.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

WHEAT AND FLOUR SITUATION

The Canadian Trade Commissioner at Melbourne cabled on March 17 regarding the wheat and flour situation in Australia as follows:—

The estimated quantity of wheat available this season for all requirements is 89 million bushels. Wheat exports for 1945 have ceased and all future shipments have been cancelled, while the only flour to be shipped, apart from usual small shipments to the Pacific Islands, is the balance of 1944

contracts for the British Ministry of Food.

The acreage objective for Australia for 1945-46 is 11,500,000 and present indications are this acreage may be sown, but shortages of superphosphate, labour and tractors may prevent the objective being reached. It is hoped more superphosphate will be available this year as negotiations are under way for extra shipping space for phosphate rock. The whole of the stock industry in Australia is now practically dependent on wheat reserves because of the failure of oats, barley and hay crops in most districts.

British Guiana

FIRE IN BUSINESS SECTION OF GEORGETOWN

The most serious fire in years swept the business section of Georgetown on February 23 last, destroying or severely damaging the General Post Office, the Chamber of Commerce, the offices of the Royal Bank of Canada and of Barclay's Bank (D.C. & O.), and a number of other important business establishments, writes G. A. Newman, Canadian Trade Commissioner in Trinidad. While the banks were reported to be operating again in temporary quarters immediately after the fire, this disaster provides the reason, Mr. Newman observes, for any delay on the part of a number of Georgetown firms in dealing with correspondence with Canadian exporters.

Chile

ENCOURAGING STEEL INDUSTRY

Special financial privileges have been accorded producers of iron ingots and sheet steel in Chile, according to the February issue of *The Times Trade and Engineering*. These privileges provide exemption for 20 years from all taxes and fiscal charges and freedom from taxes and other charges on dividends up to 8 per cent per annum of capital and interest paid in Chile or abroad. Dividends over 8 per cent per annum will pay taxes for account of the shareholders, but profits of the companies will be exempt from the legal limitations regarding the formation of reserves and special funds.

DEFICIT IN CEMENT PRODUCTION

Chile must import 1,500,000 sacks of cement during the next six months, according to a foreign press report. The yearly deficit in production is estimated at 320,000 tons and in addition to imports, steps are being taken to increase Chilean output. The Corporación de Fomento de la Producción has taken steps to enlarge the capacity of the Sociedad Fabrica de Cemento "El Melon" from 380,000 tons to 480,000 tons and is equipping two new plants, in Coquimbo and in Iquique, which will each have a capacity of 100,000 tons.

Venezuela

NATIONAL PUBLIC WORKS PROGRAM

Mr. M. T. Stewart, Canadian Trade Commissioner at Bogota, Colombia, has forwarded to the Department a supplementary list of public works to be undertaken by the Venezuelan Government in accordance with a building program covering the five-year period 1941-46. These projects have been substituted for a number of others which for various reasons could not be proceeded with.

The total expenditure on thirty-seven projects is estimated at 81,591,-050 bolivares, which, at the current rate of exchange of one bolivar equals approximately 33 cents, is equivalent to about \$27,169,800 Canadian.

To improve communication facilities, it is proposed to build five aerodromes at various centres at a cost of 5,050,-000 bolivares, and a wharf at Santa Barbara del Zulia for 600,000 bolivares.

Building construction and improvements to property will account for 37,290,000 bolivares, chief among the projects included being a new military school (10,000,000 bolivares), Polytechnic Institute of Agriculture (10,000,000 bolivares), leper colony and Leper Institute (4,500,000 bolivares), dormitory for Normal School (3,000,-000 bolivares), and a number of other works ranging in value from 100,000 to 1,500,000 bolivares.

Construction of sewers will cost 16,551,050 bolivares, and 2,100,000 bolivares will be spent on irrigation projects.

Russia

ALUMINIUM PRODUCTION IN URALS

The Krasnaya Shapochka bauxite deposits, which are claimed to be among the finest in the world, are being industrialized by the opening of an aluminum plant at Bogoslovsk, according to a Reuters Trade Service report.

Electric energy at the Bogoslovsk plant is being supplied by a 50,000 kw. turbine and another turbine of 25,000 kw. capacity is expected to be in operation within the next three months.

MAIL SERVICE AND REMITTANCES TO GREECE

MAIL SERVICE

With reference to the notice in *Commercial Intelligence Journal* No. 2143 (February 24, 1945), the Post Office Department has announced extension of the postal service to Greece (including Crete) to include private and business letters not exceeding one ounce in weight. Until further notice, business letters will be restricted to those ascertaining facts and exchanging information. Postage rates are 5 cents for each letter and 3 cents for each non-illustrated post card.

REMITTANCES

According to a notice issued by the Secretary of State under the provisions of the Revised Regulations Respecting Trading with the Enemy (1943), dated

March 14, 1945, remittances may be made to Greece as from that date relative to the following:—

Personal remittances for support or maintenance of persons or property.

Pensions, annuities and workmen's compensations.

Personal remittances for support or maintenance out of accrued revenues in accounts transferred to the Custodian or held under his control on obtaining a specific release from the Custodian's office.

Remittances by recognized Canadian charitable organizations and other special remittances that may be licensed by the Secretary of State.

Any such remittances must be made with the approval of the Foreign Exchange Control Board.

CANADA'S DOMESTIC EXPORTS IN FEBRUARY

The value of Canada's domestic merchandise exports in February, 1945, amounted to \$236,364,000 as compared with \$227,168,000 in the corresponding month of 1944, an advance of 4 per cent. For the first two months of the current year the value was \$466,862,000 as against \$469,180,000 in the similar period of 1944, a minor reduction of \$2,318,000. February exports to countries of the British Empire declined to \$104,236,000 from \$105,486,000 a year ago, whereas the total for shipments to foreign countries advanced to \$132,128,000 from \$121,682,000.

Leading Markets

The United States was the chief export market in February, the value of commodities sent to that country amounting to \$91,518,000 as compared with \$91,650,000 in February of last year. Exports to the United Kingdom were valued at \$67,451,000, having declined from the February, 1944, total of \$78,184,000. Exports to British India advanced to \$22,080,000 from \$12,144,000 a year ago, to Italy to \$19,234,000 from \$4,921,000, while the total to Egypt declined to \$5,016,000 from \$6,939,000.

Exports to other leading countries in February were as follows, totals for February, 1944, being shown within parentheses: France, \$4,014,000 (nil); Russia, \$4,602,000 (\$6,490,000); Australia, \$3,521,000 (\$4,197,000); British South Africa, \$2,156,000 (\$2,205,000); New Zealand, \$1,753,000 (\$1,203,000); Newfoundland, \$1,532,000 (\$2,650,000); Switzerland, \$1,228,000 (\$510,000); French Possessions, \$1,165,000 (\$1,100,000); Trinidad and Tobago, \$840,000 (\$1,059,000); Eire, \$766,000 (\$562,000); Ceylon, \$721,000 (\$498,000); Jamaica, \$715,000 (\$391,000).

Principal Commodities

Amongst the commodities exported in February, the value for planks and boards advanced to \$6,621,000 from \$4,990,000 in February of last year, wood-pulp to \$7,617,000 from \$7,257,000, newsprint paper to \$11,852,000 from \$11,342,000, motor vehicles and parts to \$34,211,000 from \$30,315,000, and wheat flour to \$6,799,000 from \$5,301,000. Exports of wheat declined to \$9,265,000 from \$28,484,000, meats to \$11,351,000 from \$20,236,000 and fishery products to \$4,405,000 from \$4,489,000.

The following were other principal commodities exported in February, figures for February, 1944, being shown within parentheses: fruits, \$1,044,000 (\$501,000); vegetables, \$2,965,000 (\$778,000); alcoholic beverages, \$2,370,000 (\$1,660,000); seeds, \$1,420,000 (\$534,000); eggs, \$1,938,000 (\$882,000); cotton and products, \$1,308,000 (\$744,000); wool and products, \$1,137,000 (\$1,683,000); farm implements, \$1,-

525,000 (\$1,204,000); machinery, other than farm, \$1,949,000 (\$1,216,000).

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of February and the two months ended February, 1944 and 1945:

Exports by Principal Commodities

	Month of February		Two months ended February	
	1945	1944	1945	1944
Total domestic exports*			Thousands of Dollars	
Agricultural products	236,364	227,168	466,862	469,180
Fruits	32,328	44,840	58,743	85,474
Vegetables	1,044	501	1,972	1,100
Grains	2,965	778	4,491	1,832
Barley	12,598	30,832	22,069	56,022
Wheat	298	344	849	711
Wheat flour	9,265	28,484	15,871	51,340
Alcoholic beverages	6,799	5,301	12,442	11,939
Seeds	2,370	1,660	4,567	3,366
Animal products	1,420	534	2,980	1,748
Cattle (except for stock)	24,061	32,891	54,574	61,242
Fishery products	276	276	534	507
Furs (chiefly raw)	4,405	4,489	8,766	10,232
Hides, raw	2,664	3,169	6,564	7,725
Leather, unmanufactured . . . . .	..	66	33	105
Leather, manufactured	252	290	525	547
Meats	139	221	348	465
Butter	11,351	20,236	27,225	32,881
Cheese	159	185	243	217
Eggs	799	1,509	1,906	3,587
Fibres and textiles	1,938	882	4,208	2,158
Cotton and products	4,654	4,021	9,687	7,007
Flax and products	1,308	744	2,072	879
Wool and products	41	366	97	607
Artificial silk and products	1,137	1,683	2,733	3,252
Wood and paper	851	755	1,743	1,260
Wood and paper	33,052	30,011	64,906	59,166
Planks and boards	6,621	4,990	13,024	11,243
Timber, square	84	49	150	89
Shingles	705	530	1,256	979
Pulpwood	1,369	1,687	2,895	3,094
Wood-pulp	7,617	7,257	14,539	12,894
Paper, newsprint	11,852	11,342	23,168	22,375
Iron and products	54,321	47,845	110,027	99,887
Pigs, ingots, etc.	1,244	959	2,483	3,278
Rolling-mill products	648	630	1,234	1,008
Tubes and pipes	202	209	433	523
Farm implements	1,525	1,204	2,439	1,966
Hardware and cutlery	300	207	539	536
Machinery, other than farm	1,949	1,216	4,094	2,419
Motor vehicles and parts	34,211	30,315	71,564	56,633
Non-ferrous metals (excluding gold)	33,970	22,733	65,266	50,242
Non-metallic minerals	3,658	4,504	8,161	8,627
Coal	424	523	872	922
Petroleum	92	484	1,259	504
Stone	1,196	1,342	2,130	3,101
Chemicals	10,678	8,139	18,688	16,470
Acids	188	203	331	413
Fertilizers	2,823	2,268	5,251	4,473
Soda compounds	428	410	956	953
Miscellaneous	39,642	32,184	76,810	81,064
Electric energy	466	715	999	1,351
Films	251	44	520	159

* February totals include exports of items mainly for war purposes, such as tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies, and Canadian army stores, valued at \$120,850,000 in February, 1945, and \$94,584,000 in February, 1944. The percentage of war materials in other items cannot be ascertained.

Exports by Principal Countries

	Month of February		Two months ended February	
	1945	1944	1945	1944
			Thousands of Dollars	
All countries	236,364	227,168	466,862	469,180
Empire countries	104,236	105,486	221,176	220,229
British East Africa	399	423	915	561
British South Africa	2,156	2,205	4,522	2,661
Southern Rhodesia	195	96	338	171
British West Africa	122	173	194	614
Bermuda	342	372	519	624
British India	22,080	12,144	40,103	19,649
Ceylon	721	498	1,396	577
British Guiana	441	516	791	891
Barbados	301	202	329	400
Jamaica	715	391	2,305	1,284
Trinidad and Tobago	840	1,059	2,196	2,010
British West Indies, other	438	416	702	770
Newfoundland	1,532	2,650	5,319	4,999
Australia	3,521	4,197	5,311	6,984
Fiji . . . . .	...	94	9	170
New Zealand	1,753	1,203	3,135	2,991
Palestine	191	33	207	117
Eire	766	562	1,364	1,147
United Kingdom	67,451	78,184	150,681	172,997
Foreign countries	132,128	121,682	245,686	248,951
United States	91,518	91,650	176,221	176,975
Argentina	462	265	571	677
Belgian Congo	30	197	60	633
Bolivia	3	8	30	16
Brazil	359	497	1,065	724
Chile	84	68	205	88
China	4	3,050	5	3,050
Colombia	165	123	266	192
Costa Rica	29	30	38	51
Cuba	271	229	733	741
Ecuador	9	43	23	43
Egypt	5,016	6,939	7,329	19,664
France	4,014	...	6,315	...
French possessions	1,165	1,100	2,311	6,156
Greece	296	508	747	1,697
Guatemala	19	16	55	53
Haiti	51	16	62	65
Honduras	5	...	5	4
Iceland	107	206	356	526
Iraq	112	415	343	1,290
Italy	19,234	4,921	31,945	12,829
Mexico	560	484	1,181	908
Netherlands West Indies	49	24	98	49
Nicaragua	39	23	58	25
Panama	70	58	100	91
Persia	7	285	133	302
Peru	174	159	322	218
Portugal	69	40	113	99
Portuguese Africa	419	45	466	49
Russia	4,602	6,490	8,982	14,335
Salvador	7	19	19	40
San Domingo	28	42	79	88
Spain	400	...	400	...
Switzerland	1,228	510	2,147	993
Turkey	89	2,696	119	5,100
Hawaii	321	159	724	199
Puerto Rico	201	133	298	353
Uruguay	38	99	144	316
Venezuela	68	123	222	248

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FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 19, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 19, 1945, and for the week ending Monday, March 12, 1945, with the official rate:

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Mar. 12	Nominal Quotations in Montreal Week ending Mar. 19	Official Bank Rate
Great Britain	Pound	4.866			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.866			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2777	.2770	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0575	.0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6336	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.6016	.6016	—
South Africa	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

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TABLE OF CONTENTS

	Page
Canadian Export Commodities and Industries:	
19. Pulp and Paper	
I. Pulpwood and Wood-pulp.....	261
United Kingdom Electricity Supplies	271
Overseas Trade of Australia, July-December, 1944	272
Market Prospects for Dried Eggs in the British West Indies (Eastern Group) and British Guiana.....	278
Exports to Middle East Countries....	279
Trade Regulations and Tariff Changes	280
Regulations for Export Shipments from Canada:	
Turkey	280
Imports into the United States of Products under the Quota Provisions of the Trade Agreement.....	281
Foreign Exchange Quotations	282
Commercial Intelligence Service.....	283

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

19. PULP AND PAPER

By L. J. POULIOT, *Chief, Forestry Branch, Dominion Bureau of Statistics*

BEGINNINGS AND GROWTH

Paper manufacturing began in Canada early in the past century. The first mill in Lower Canada was established at St. Andrews, near Lachute, in 1803, and the second in the county of Portneuf in 1810. The Maritime Provinces entered the industry in 1819 with a mill built at a little distance from Bedford Basin, near Halifax. The first mill in Upper Canada was located at Crooks Hollow (now Greensville) near Hamilton, but the date is uncertain, being set by some at 1813 and by others at 1820 and 1825. At the census of 1851 Upper and Lower Canada had five mills each, and ten years later Lower Canada had six and Upper Canada five.

Until Confederation the industry was confined to the manufacture of paper from rags. Prior to 1860 no wood-pulp was used or produced anywhere. The supply of rags for paper-making is distinctly limited and the material soon became too expensive for the manufacture of cheap paper. Paper-makers experimented with fibres from the stems, leaves and other parts of numerous annual plants; but the small proportion of paper-making material recoverable from such sources led to experiments in the use of wood. Different species were tried, and finally spruce, balsam and hemlock were found to be the most suitable for manufacture of paper of the average grades, al-

though in recent years increasing quantities of jackpine and poplar are used. Rags are still used for certain fine papers.

EARLY MANUFACTURE OF WOOD-PULP

In 1866 Alexander Buntin installed at Valleyfield, Quebec, what is claimed to have been the first wood grinder in America and began the manufacture of wood-pulp by the mechanical process. About the same time John Thomson was successful in his experiments to manufacture paper from wood by using caustic soda to dissolve the non-cellulose components, and his employers, Angus Logan and Company of Sherbrooke, built the first chemical wood-pulp mill in Canada at nearby Windsor Mills, where production began in 1869.

These two pulp-mills, however, are not mentioned in the census of 1871, which covers only the 21 paper mills in operation, 12 located in Ontario, 7 in Quebec and one each in New Brunswick and Nova Scotia. These paper mills had 760 employees, distributed \$197,815 in wages and salaries and produced paper valued at \$1,071,651. Ten years later, in 1881, there were 36 paper- and 5 pulp-mills in operation, with a total of 1,588 employees, a payroll of \$460,476 and an output valued at \$2,509,993, consisting of pulp valued at \$63,300 and paper valued at \$2,446,693.

WOOD-PULP IN PAPER-MAKING

During the next decade the use of wood-pulp in paper-making was extensively developed and in 1887 Charles Riordan installed the first sulphite mill in Canada at Merritton in the Niagara Peninsula. The census of 1891 shows only a slight increase in paper production, but the number of pulp-mills had grown to 24, of which 17 were located in Quebec, 3 in Ontario, 2 in Nova Scotia and one each in New Brunswick and British Columbia, and the annual value of the products amounted to \$1,057,810. Although one pulp-mill was credited to British Columbia, it was not until 1909 that

pulp was manufactured from wood in that province; however, a paper-mill using rags imported from Great Britain was operated near Alberni from 1894 to 1896.

At the beginning of the present century the output of the pulp and paper industry exceeded eight million dollars. From then until the end of the first Great War the industry increased rapidly and steadily. In 1907 the Brompton Pulp and Paper Company built at East Angus, in the Eastern Townships, the first mill in America to produce chemical pulp by the sulphate or kraft process. Many new pulp- and paper-mills began operations in the Maritime Provinces, Quebec, Ontario and British Columbia.

SPECIALIZATION IN NEWSPRINT PRODUCTION

It was during this period that the paper industry began specializing in the production of newsprint. Reduction of the American tariff on newsprint in 1909 and a few years later the removal of all duties on this commodity hastened the migration of the American newsprint industry to Canada. In 1918 production of the pulp and paper industry reached well over 100 million dollars.

GROWTH AND TRENDS BETWEEN WARS

Following abolition of price control, imposed toward the end of the first Great War, the price of pulp almost doubled and the gross output of the industry reached a peak of \$236,420,176 in 1920. This was followed by a drop to \$151,003,165 in 1921, but from 1922 to 1929 there were steady annual increases in the total value of production, culminating in 1929 in a figure of \$243,970,761, which exceeded for the first time the abnormally high total of 1920. There were annual reductions during the next four years to \$123,415,492 in 1933, followed by successive increases to \$226,244,711 in 1937. In 1938 gross output dropped to \$183,897,503, but it rose again to \$208,152,295 in 1939. In that year

there were 27 mills making pulp only, 49 combined pulp- and paper-mills and 24 manufacturing paper only, a total of 100 mills.

SIZE OF INDUSTRY IN 1939

Besides the many new mills built during this period, most of the older ones added new paper machines, grinders and digesters and other equipment. In 1939 the pulp and paper industry had a daily capacity of 12,956 tons of groundwood pulp, 6,800 tons of chemical pulp and 14,714 tons of paper. The 44 mills in Quebec accounted for \$103,564,981 of the total 1939 production. Thirty-seven mills in Ontario accounted for \$65,486,349, 6 mills in British Columbia for \$16,005,957, and 5 mills in Nova Scotia, 6 in New Brunswick and one in Manitoba for the remainder (\$23,095,008).

In 1939 the pulp and paper industry occupied first place among all manufacturing industries in Canada in

respect of amount of capital employed and amount of salaries and wages paid. In numbers of employees and gross value of products it stood second to the sawmilling industry and the non-ferrous metal, smelting and refining industries respectively.

Table I gives the principal statistics for the industry for the calendar years 1919 to 1943, inclusive.

Wartime Production and Service

During the earlier years of the present war the manufacture of wood-pulp and paper increased by leaps and bounds. The exceptional demand for pulp made necessary the installation of additional manufacturing facilities. In 1940 and again in 1941 both volume and value of production exceeded all previous levels. In 1942 and 1943 the gross value of products increased still more, but the volume of pulp and paper produced was somewhat lower than in 1941.

TABLE I

Principal Statistics of the Pulp and Paper Industry, Calendar Years 1919-1943

Year	Establishments	Capital	Employees	Salaries and Wages	Fuel and electricity used	Materials and supplies used	Gross Value of products
							\$
1919.....	99	275,767,364	26,647	32,264,208	12,503,197	54,084,801	137,912,502
1920.....	100	347,553,333	31,298	45,253,893	16,989,356	84,208,788	236,420,176
1921.....	100	379,812,751	24,619	34,199,090	14,961,741	62,276,224	151,003,165
1922.....	104	381,006,324	25,830	32,918,955	13,000,002	64,692,722	158,950,956
1923.....	110	417,611,678	29,234	38,382,845	18,421,804	71,322,722	184,821,511
1924.....	115	459,457,696	27,627	37,649,528	17,396,375	72,233,876	179,259,504
1925.....	114	460,397,772	28,031	38,560,905	17,500,735	76,514,990	193,092,937
1926.....	115	501,184,714	31,279	44,175,502	20,424,405	85,365,465	215,370,274
1927.....	114	579,853,552	32,876	45,674,293	24,024,319	84,813,080	219,329,753
1928.....	110	685,687,459	33,614	47,322,648	24,546,957	88,490,421	233,077,236
1929.....	108	644,773,806	34,202	50,214,445	25,356,090	96,874,749	243,970,761
1930.....	109	703,937,104	33,207	45,774,976	26,158,260	81,992,255	215,674,246
1931.....	103	630,176,540	26,669	34,792,013	22,927,919	63,947,678	174,733,954
1932.....	98	597,550,013	24,561	28,348,128	19,821,839	48,970,967	135,648,729
1933.....	95	559,265,544	24,037	26,657,542	18,902,330	47,632,521	123,415,492
1934.....	95	554,973,891	26,993	33,307,043	21,977,913	53,426,534	152,647,756
1935.....	95	545,572,938	27,836	35,893,313	22,682,883	57,995,037	159,325,546
1936.....	93	536,073,034	29,478	39,440,074	25,690,606	72,202,983	183,632,995
1937.....	98	570,352,287	33,205	48,757,795	29,121,065	91,121,629	226,244,711
1938.....	99	594,908,222	30,943	42,619,311	23,800,737	71,062,580	183,897,503
1939.....	100	597,908,918	31,016	44,737,379	25,094,978	79,933,657	208,152,295
1940.....	103	642,979,942	34,719	56,073,812	31,045,406	108,758,862	298,034,843
1941.....	106	678,937,841	37,154	63,677,818	34,437,122	125,437,012	334,726,175
1942.....	105	655,598,196	38,002	69,656,393	36,226,420	135,970,437	336,697,277
1943.....	106	667,458,143	37,020	71,199,422	36,211,064	143,956,462	345,653,470

Two factors accounted for this decrease in production: the urgent need for more men for war industries and the armed services reduced the supply of manpower available for cutting pulpwood in the forests, and the production of munitions and other war materials necessitated the diversion to new war plants in eastern Canada and in New York state of part of the hydroelectric power used in pulp and paper manufacture and the consequent reduction of the output of certain mills.

Despite these handicaps the Canadian pulp and paper industry has supplied to the United Nations tremendous quantities of pulp, paper, and pulp and paper products, so essential for the successful prosecution of the war. The use of the products of this industry for direct war purposes may be less obvious than in some other cases, but they are many and varied.

PRODUCTS OF DIRECT WAR USE

Wood-pulp is used extensively in the production of high explosives, such as cordite and gun cotton, replacing cotton linters at about half the cost. From the same wood, cellulose surgical dressings and hospital wadding are made to heal the wounds of the soldier. The so-called "dissolving" pulps are also transformed into rayon, celanese, cellophane and pulp-based plastics from which are produced synthetic yarns for tires and parachutes, gas-impervious clothing, impervious wrappings for intricate machines, wrappings for perishable drugs, chemicals and food, housings for radio, aircraft, artillery and navy instruments, etc., replacing cotton, silk and metals.

Paperboard is used in containers for shell cases, ammunition, gun barrels, machine parts, blood plasma, food and medical supplies, replacing metal and wood. Building board or wallboard replaces lumber in the construction of barracks, hospitals and other temporary buildings and for the finishing of ships, ambulances and aircraft.

Certain paper products are component parts of sea and land mines, of radio equipment, of shells and other

weapons of war. Multiwall kraft paper sacks have replaced jute sacks in many instances. It takes three acres of blueprint paper to put into production a single bomber type of aircraft. The armed forces and the munitions industries require much paper for administrative use.

NEWSPRINT AND INFORMATION

Newsprint is indispensable for the dissemination of information, and the maintenance of a free press in over forty countries has depended chiefly on the output of Canadian newsprint mills. Millions of leaflets have been dropped on the enslaved countries of Europe. Large quantities of paper are required for the production of ration books, Victory Bonds, War Savings Certificates, etc., etc. Other kinds of paper, such as wrapping papers, tissues and special grades also are essential.

A special contribution to the general war effort was made by the pulp and paper industry by the adoption of a program of "bits and pieces" in its extensive and well-equipped machine shops, and the diversified list of products made includes parts for naval and cargo vessels, aeroplanes and gun-mountings, as well as gauges and other special devices. During the first year supplies produced were valued at more than \$1,250,000, and subsequent production has been much greater, the amount received for such work in 1943 reaching \$2,012,165, which represents only a fraction of the value of the finished products, most of the materials used being supplied by the customer.

SUPPLY OF FOREIGN EXCHANGE

Finally, the pulp and paper industry has secured for Canada most urgently needed supplies of foreign exchange, particularly United States dollars. This function was of exceptional importance prior to the entry of the United States into the war. Through the process of foreign exchange many thousands of tons of pulp and paper shipped across the southern border reappeared in Canada in the form of training aircraft,

guns, tanks and other war supplies which could not at that time be manufactured here.

Divisions of Industry

The pulp and paper industry in Canada includes three forms of industrial activity: the operations in the woods with pulpwood as a product, the manufacture of pulp, and the manufacture of paper. These three stages cannot be treated as entirely distinct nor can they be entirely separated from the different stages in the lumber industry. The same operations in the woods and in the drive frequently provide raw materials for both sawmill and pulp-mill and it is often impossible to state whether the timber being cut will eventually be made into lumber or pulpwood. This stage of the pulp and paper industry is not included in the statistics previously given for capital employed, employees, and salaries and wages paid.

Pulpwood

In 1908, when detailed statistics for the pulp and paper industry were first

collected, the apparent total production of pulpwood in Canada amounted to 1,325,085 cords valued at \$7,732,055. Ten years later it had grown to 3,560,280 cords valued at \$37,886,259, and in 1928 it amounted to 6,295,912 cords worth \$74,587,833. The maximum production was reached in 1942 with 9,653,574 cords valued at \$103,619,151. Although the 1943 production was smaller, amounting to 8,801,368 cords, the total value was the highest on record, being estimated at \$110,844,790.

In this connection it should be noted that the apparent production of pulpwood is at present obtained by adding pulpwood used by Canadian pulp-mills and pulpwood exported and subtracting pulpwood imported (some pulpwood is imported from Newfoundland and the state of Maine), but does not take into account stocks of pulpwood on hand at Canadian mills. Until 1942 the figures for apparent production are fairly accurate, as the mill stocks were generally maintained at about the same level from year to year. Since 1942, however, pulpwood inventories at the mills have been reduced considerably, and while the consumption and

TABLE II

Pulpwood Production, Domestic Consumption, Exportation and Importation, 1908-1943

Year	Apparent total production of pulpwood in Canada		Canadian pulpwood used in Canada		Canadian pulpwood exported unmanufactured		Imported pulpwood used in Canada	
	Cords	\$	Cords	Per cent of total production	Cords	Per cent of total production	Cords	Per cent of total consumption
Average 1908-12....	1,558,320	9,686,778	648,345	41.6	909,975	58.4	.....	.....
" 1913-17....	2,530,359	18,277,132	1,521,698	60.1	1,008,661	39.9	.....	.....
" 1918-22....	3,656,232	48,929,364	2,502,012	68.4	1,154,220	31.6	none reported	.....
" 1923-27....	5,189,017	63,125,308	3,774,719	72.7	1,414,298	27.3	.....	.....
" 1928-32....	5,646,313	61,392,332	4,466,077	79.1	1,180,236	20.9	56,347	1.2
" 1933-37....	6,383,118	44,890,011	5,225,018	81.9	1,158,100	18.1	16,201	0.3
1938.....	6,438,344	53,761,999	4,636,085	72.8	1,752,259	27.2	33,668	0.7
1939.....	6,899,986	58,302,668	5,360,546	77.7	1,539,440	22.3	25,694	0.5
1940.....	8,499,922	74,347,132	6,948,493	81.7	1,551,429	18.3	47,626	0.6
1941.....	9,544,699	88,193,045	7,688,307	80.6	1,856,392	19.4	81	less than one per cent
1942.....	9,653,574	103,619,151	7,665,724	79.4	1,987,850	20.6	1,714	1/10 of one per cent
1943.....	8,801,368	110,844,790	7,260,776	82.5	1,540,592	17.5	2,379	one per cent.

¹ The quantities for 1938-1943 are given in terms of rough or unpeeled wood and are not comparable with export figures published by the External Trade Branch of the Dominion Bureau of Statistics, which give both peeled and unpeeled cords.

exportation figures are correct, those for apparent production may be too high by several hundred thousand cords each year.

Table II shows the apparent production, domestic consumption, exportation and importation of pulpwood for the calendar years 1908 to 1943.

Exports of pulpwood for the fiscal year ending June 30, 1890, were valued at \$80,005, the United States purchases totalling \$57,197 and those of Great Britain \$22,808. Ten years later exports to the United States reached \$864,077, while those to Great Britain amounted to \$38,370.

RESTRICTION OF EXPORTS

Since 1900 Dominion or provincial legislation and regulations have restricted or prohibited the exportation of unmanufactured pulpwood cut on practically all of the Crown lands in Canada. Ontario was the first province to restrict the exportation of pulpwood: legislation which became effective on April 30, 1900, prohibited the exportation of unmanufactured pulpwood cut on Crown lands within the province. Similar Dominion legislation covering federal Crown lands in the Prairie Provinces and elsewhere came into force in 1907. Quebec followed suit in 1910, New Brunswick in 1911 and British Columbia in 1913. Nova Scotia, although it passed legislation to this effect, has never exercised its authority to prohibit such exports. Some provinces have since modified their policy in this matter and allow export of pulpwood cut on Crown lands under special permit. Much of the pulpwood that is exported to the United States is cut on private lands.

During 1908, when exportation from Quebec, New Brunswick and British Columbia was unrestricted, the total exports amounted to 842,308 cords and formed 63·6 per cent of the apparent total production. In 1912 the total exports formed only 53·2 per cent of the apparent total. The ratio of exportation to total production decreased steadily up to 1932, when the exports

made up only 14·7 per cent of the total quantity of pulpwood cut in Canada. Since then the proportion has increased to 27·2 per cent in 1938 and declined to 17·5 per cent in 1943.

DESTINATIONS OF EXPORTS

From 1902 to 1932 the exports of raw pulpwood from Canada went exclusively to the United States, but since that year until the start of the second World War small quantities have been exported to a few countries in Continental Europe. From 1940 to 1942 small shipments have gone to the United Kingdom, but in 1943 all pulpwood exports went to the United States.

The highest exportation of pulpwood on record before this war was that of 1938 with 1,752,259 cords¹, valued at \$13,641,798. Pulpwood exports reached a new peak in 1941 with 1,856,392 cords valued at \$15,928,826.

WARTIME EXPORT CONTROL

The diversion of labour, ordinarily engaged in cutting pulpwood, to the armed forces and to the production of munitions and food increased as the war progressed. At the beginning of 1942 there were some doubts whether production of pulpwood could be maintained at the rate of the previous year, and meanwhile the outflow to the United States was greater than ever before. Production and distribution of pulpwood were, therefore, placed under the direction of the Timber Controller and all exports to non-Empire countries were made subject to permit. Arrangements were made, however, whereby the United States mills which normally depended on Canadian wood would receive enough to meet their ordinary requirements. Nevertheless, exports of pulpwood reached a new high in 1942 with 1,987,850 cords valued at \$20,314,-253. In 1943 these exports decreased in volume to 1,540,592 cords and in value to \$18,565,265.

¹ See footnote to Table II.

IMPORTS INTO CANADA

There has been a small importation of pulpwood into Canada during the last fifteen years and, while this increased from 1928 to 1930, it has since decreased and is relatively unimportant, forming less than one-tenth of one per cent of the total consumption. This importation has no particular significance and represents, for the greater part, material cut on limits in the United States and Newfoundland owned or controlled by mills operating in Canada.

Wood-pulp

"In 1886, during the Colonial and Indian Exhibition," relates E. G. Biggar,¹ "a Canadian took some samples of pulp made in Quebec, and submitted them to English paper manufacturers, with the suggestion that a trial should be made of Canadian pulp. Some of them smiled pityingly at the idea that Canada could compete with Norway, Sweden or Germany in the pulp trade, but he predicted that within ten years Canada would be regularly shipping pulp to Great Britain."

To this prediction, which had already been fully realized, Biggar added his own: "There are now about a dozen pulp mills in the country working entirely on export orders, and, considering the fact that large water-powers are distributed over the spruce-bearing areas of Canada, which aggregate over half a million square miles, the paper and pulp manufacturers are destined in the near future to become the leading feature of our many industrial activities. The mills of Canada are likely within the next ten years to supply a large part of the pulp, if not of paper, to all the paper-manufacturing countries of the world. The chief destinations of these exports at present are the United States, Great Britain, France and Germany—the first-named two being our best customers. There are now 55 pulp and paper mills in Canada, with a total capacity of 844 tons of

pulp per day and 321 tons of paper and cardboard per day. Besides these about twenty new mills, chiefly pulp mills, are in course of erection or in contemplation, in Quebec, Ontario and the Maritime Provinces."

The rapid development of the pulp industry in Canada was, indeed, due chiefly to the existence of abundant water-powers adjacent to extensive forest resources of pulpwood species, coupled with an increasing demand for newsprint paper in the United States. When, on account of the legislation already referred to, the exportation of pulpwood cut on Crown lands was restricted, many new pulp-mills were built in Canada to supply American paper-mills with the wood-pulp they could no longer produce themselves in sufficient quantity from imported pulp-wood.

EXPANSION OF OUTPUT, 1908-1943

Statistics of the production of pulp in Canada are not available previous to 1908. In that year the production of 278,570 tons of mechanical pulp and of 84,509 tons of chemical pulp was reported. In 1918, or ten years later, the production of mechanical pulp had risen to 879,510 tons and that of chemical pulp to 677,683 tons. During the next decade production more than doubled, reaching 2,127,699 tons of mechanical and 1,392,755 tons of chemical pulp in 1928. Table III shows the production of wood-pulp for the calendar years 1908 to 1943.

In 1938, the last full peace year, production of wood-pulp amounted to 2,520,738 tons of mechanical and 1,147,051 tons of chemical pulp. In 1939, the first year of the war, the output of mechanical pulp increased by 275,355 tons and that of chemical pulp by 223,157 tons. In 1941 an all-time record production of 5,720,847 tons was reached, including 3,550,285 tons of mechanical pulp. The next year total production decreased, but chemical pulp reached a new peak with 2,298,343 tons. Despite a decrease of 6 per cent in 1943, there was an increase of 1·2 per cent in total value, which reached

¹ "Canada, An Encyclopaedia of the Country" (1890).

TABLE III
Canadian Production of Wood-pulp, 1908-1943

Year	Total production ¹		Mechanical pulp ²		Chemical pulp ³	
	Tons	\$	Tons	\$	Tons	\$
Average 1908-12.....	492,511	Not available	367,184	Not available	125,327	Not available
" 1913-17.....	1,124,904	available	747,981	available	376,892	available
" 1918-22.....	1,786,543	88,503,038	1,026,654	31,142,634	752,280	56,969,200
" 1923-27.....	2,844,438	103,842,061	1,658,528	40,371,693	1,122,615	62,473,489
" 1928-32.....	3,415,965	102,353,300	2,108,821	42,519,879	1,231,852	58,968,174
" 1933-37.....	4,022,237	85,725,850	2,637,310	34,773,968	1,384,927	50,951,883
1938.....	3,667,789	87,897,148	2,520,738	39,707,479	1,147,051	48,189,669
1939.....	4,166,301	97,131,817	2,796,093	43,530,367	1,370,208	53,601,450
1940.....	5,290,762	149,005,267	3,368,209	56,017,547	1,922,553	92,987,720
1941.....	5,720,847	175,439,551	3,550,285	61,749,788	2,170,562	113,689,763
1942.....	5,606,461	192,145,062	3,308,118	65,208,869	2,298,343	126,936,193
1943.....	5,272,830	194,434,202	3,033,751	63,694,822	2,239,079	130,739,380

¹ These totals include some unspecified pulp until 1932.

² Includes mechanical screenings.

³ Includes chemical screenings.

the unprecedented amount of \$194,434,202.

EXPORTS

In 1908, 66 per cent of the total Canadian production of wood-pulp was exported, comprising 199,188 tons of mechanical pulp valued at \$2,253,736 and 40,687 tons of sulphite pulp valued at \$1,547,192. Exports of mechanical pulp reached a peak of 382,077 tons in 1926 but dropped to 124,205 tons in 1938. In that year exports of chemical pulp amounted to 421,597 tons after having reached a peak of 680,264 tons the previous year. During the

thirty-year period the proportion of wood-pulp exported to total wood-pulp production dropped steadily until it only amounted to 15.1 per cent in 1938.

Table IV gives the quantity and value of exports of chemical and mechanical pulp and the proportion of exports of each to total production for the period 1908 to 1943.

DESTINATIONS OF EXPORTS IN 1938

Exports of wood-pulp in 1938 totalled 554,037 tons valued at \$27,730,738. These exports comprised 236,438 tons of bleached sulphite val-

TABLE IV
Exports of Wood-pulp by Quantity and Value, 1908-1943

Year	Total pulp ¹		Mechanical pulp ¹		Chemical fibre ¹	
	—	Per cent of production	—	Per cent of production	—	Per cent of production
	Tons		Tons		Tons	
Average 1908-12.....	291,428	59.2	249,272	67.9	42,170	33.6
" 1913-17.....	431,605	38.4	266,325	35.6	165,260	43.8
" 1918-22.....	691,701	38.7	267,044	26.0	424,657	56.4
" 1923-27.....	900,728	31.7	319,584	19.3	576,925	51.4
" 1928-32.....	705,940	20.7	180,617	8.6	502,756	40.8
" 1933-37.....	700,368	17.4	135,330	5.1	545,895	39.4
1938.....	554,037	15.1	124,205	4.9	421,597	36.7
1939.....	705,516	16.9	168,652	6.0	526,774	38.4
1940.....	1,068,517	20.2	204,090	5.7	857,193	44.6
1941.....	1,411,724	24.7	271,161	7.6	1,121,784	56.1
1942.....	1,510,746	26.9	278,364	8.4	1,213,588	52.8
1943.....	1,556,457	29.5	272,900	9.0	1,259,670	56.3

¹ These totals include some unspecified pulp, consisting chiefly of mechanical and chemical screenings.

ued at \$15,742,741, of which 75·2 per cent by volume went to the United States, 12·3 per cent to the United Kingdom, 7·0 per cent to Japan, 3·1 per cent to France, 2·3 per cent to Italy and smaller quantities to Belgium, the Netherlands East Indies and Colombia.

Sulphate pulp exports amounted to 76,285 tons worth \$4,435,757, 96·7 per cent being shipped to the United States and the rest chiefly to France, the United Kingdom, Germany and Australia. Of the 124,205 tons of groundwood exported, valued at \$2,914,247, the United Kingdom took 15·2 per cent and the United States 84·8 per cent.

Unbleached sulphite also went chiefly to the United States, 80·2 per cent of the total exports of 98,835 tons worth \$4,048,165 going to that country, 19·4 per cent to the United Kingdom and small lots to China and the Netherlands East Indies. The balance of wood-pulp exports, valued at \$589,828, consisted of screenings and other wood-pulp. All the screenings went to the United States as did also all but 638 tons of the other pulp.

DESTINATIONS OF EXPORTS IN 1943

Since the beginning of the present war, the exportation of wood-pulp has increased steadily to new heights, especially the various grades of chemi-

cal pulp, which reached 1,259,670 tons and a valuation of \$89,486,869 in 1943. In that year total pulp exports amounted to 1,556,456 tons valued at \$100,012,775. This was made up of 465,946 tons of bleached sulphite (\$37,528,067), 590,541 tons of unbleached sulphite (\$36,997,343), 183,291 tons of sulphate pulp (\$13,516,667), 272,900 tons of groundwood (\$10,068,592), 19,892 tons of other pulp (\$1,444,792) and 23,886 tons of screenings (\$457,314).

In 1943 the United States took 78·2 per cent of bleached sulphite exports, 82·3 per cent of unbleached sulphite, 84·4 per cent of sulphate pulp, 80·8 per cent of mechanical pulp, 97·9 per cent of screenings, and all the other pulp. The United Kingdom purchases consisted of 20·7 per cent of bleached sulphite, 14·9 per cent of unbleached sulphite, 14·1 per cent of sulphate pulp, and 2·1 per cent of screenings. Brazil, Mexico, Australia, Colombia, Peru, Portugal, Eire, Uruguay and British West Indies took the remainder, representing 1·5 per cent in volume and 1·7 per cent in value of total pulp exports for that year.

SUMMARY OF SHIPMENTS BY COUNTRIES, 1938-43

Table V shows the distribution of Canadian exports of wood-pulp for the

TABLE V

Wood-pulp Exports from Canada by Destinations, 1938-1943

	1938 Tons	1939 Tons	1940 Tons	1941 Tons	1942 Tons	1943 Tons
Argentina .....	....	....	665	608	....	....
Australia	202	28	8,022	13,674	7,338	1,837
Belgium	484	1,100	85	....	....	....
Brazil	360	446	2,258	9,209	3,883	12,051
British India .....	....	120	362	....	28	....
British South Africa	26	....	696	469	58	....
British West Indies, n.e.s.	6	....	....	....	....	36
Chile .....	....	....	772	295	....	....
China	277	....	130	791	....	....
Colombia	29	....	109	984	573	1,135
Cuba .....	....	....	98	50	....	....
Denmark .....	....	22	....	....	....	....
Ecuador .....	....	....	....	21	....	....
Finland .....	....	11	....	....	....	....
France	8,413	4,504	15,419	....	....	....
Germany	473	675	....	....	....	....
Iceland .....	....	....	....	....	62	....
Ireland (Eire) .....	....	....	1,799	167	745	530
Italy	5,135	6,620	3,439	....	....	....
Japan	16,506	10,087	26,857	4,590	....	....

Wood-pulp Exports from Canada by Destinations, 1938-1943—Con.

	1938 Tons	1939 Tons	1940 Tons	1941 Tons	1942 Tons	1943 Tons
Latvia .....	.....	22	.....	.....	.....	.....
Mexico .....	.....	1,450	1,451	2,729	6,022	6,716
Netherlands	38	693	781	.....	.....	.....
Netherlands East Indies	483	495	338	592	112	.....
Netherlands Guiana	2	.....	.....	.....	.....	.....
Newfoundland .....	.....	.....	.....	165	.....	.....
New Zealand .....	.....	.....	2,667	1,135	33	.....
Norway .....	.....	.....	5	.....	.....	.....
Peru .....	.....	.....	.....	.....	.....	899
Philippine Islands .....	.....	*	.....	.....	.....	.....
Portugal .....	.....	.....	871	1,367	218	778
Spain .....	.....	.....	55	55	55	.....
Switzerland	48	216	112	.....	.....	.....
United Kingdom	67,694	72,437	176,218	265,977	294,056	263,392
United States	453,861	606,589	825,268	1,108,845	1,197,425	1,269,043
Trinidad and Tobago .....	.....	.....	.....	1	.....	.....
Uruguay .....	.....	.....	.....	.....	138	40
Venezuela .....	.....	.....	40	.....	.....	.....
Total exports	554,037	705,515	1,068,517	1,411,724	1,510,746	1,556,457
British Empire	67,928	72,585	189,764	281,588	302,258	265,795
Foreign countries	486,109	632,930	878,753	1,130,136	1,208,488	1,290,662

* Less than one ton.

calendar years 1938 to 1943 inclusive. Shipments to 38 countries are recorded.

It is interesting to note how certain markets were closed to Canadian exports of wood-pulp as the war progressed and how new customers turned to this country as their source of supply.

IMPORTS

Wood-pulp importation into Canada is relatively unimportant, the total value of these imports forming only 2 per cent of the value of the exports in 1938. Although imports rose from 16,980 tons valued at \$561,474 in 1938 to 21,661 tons valued at \$1,452,133 in 1943, the ratio of imports to exports fell to less than 1·5 per cent in the

latter year. Since 1937 all Canadian imports of wood-pulp have come from the United States.

POSITION OF CANADA AS PRODUCER

Table VI, which has been prepared from data compiled by the United States Pulp Producers Association, gives the world production, consumption, imports and exports of wood-pulp of all grades for the year 1938 and the average for the five-year period 1934-1938. It shows that Canada is second only to the United States as a producer and consumer of this commodity and as an exporter is a close competitor of Norway for third place, with Sweden leading and Finland in second position.

TABLE VI

World Production, Consumption, Imports and Exports of Wood-pulp, 1938 and Average 1934-38

	Production ¹		Consumption ²		Imports		Exports	
	1938	Average 1934-38	1938	Average 1934-38	1938	Average 1934-38	1938	Average 1934-38
United States	5,934	5,513	7,503	7,343	1,710	2,024	140	194
Canada	3,668	4,159	3,131	3,487	17	16	554	690
Sweden	3,374	3,441	1,194	1,042	5	7	2,185	2,407
Germany	2,715	2,497	2,806	2,431	172	173	82	239
Finland	2,444	2,134	1,070	736	.....	.....	1,373	1,398
Japan	1,070	918	1,231	1,237	161	321	....	....
Russia	1,070	799	1,070	802	.....	2	....	....
Norway	992	1,065	443	449	17	20	566	636
Austria	400	389	240	221	4	6	180	177
France	375	363	806	938	436	579	5	3

	Production ¹		Consumption ²		Imports		Exports	
	Average	1934-38	Average	1934-38	Average	1934-38	Average	1934-38
	1938	(Thousands of Tons)	1938	(Thousands of Tons)	1938	(Thousands of 2,000 Pounds)	1938	(Thousands of Tons)
Czechoslovakia	350	341	230	226	7	7	120	121
Newfoundland	267	316	267	315	...	...	...	1
Italy	229	172	522	467	294	295	...	...
Great Britain	218	163	2,030	1,925	1,812	1,763	4	6
Poland	214	169	227	180	16	15	2	3
Netherlands	115	118	211	227	102	111	7	3
Estonia	100	95	21	20	3	3	82	78
Switzerland	77	84	96	101	25	22	7	5
Rumania	66	59	59	52	...	1	7	8
Lithuania	64	67	10	5	1	1	55	63
Latvia	49	37	34	30	1	1	14	7
Yugoslavia	30	19	40	35	18	20	5	3
Mexico	18	7	46	38	29	32	...	...
Chile	15	5	30	18	15	13	...	...
Hungary	11	7	50	45	40	38	...	...
Turkey	9	4	17	7	8	4	...	...
Denmark	7	7	58	56	52	51	...	...
Argentina	3	1	45	40	42	39	...	...
Bulgaria	6	2	18	12	12	9	...	...
Belgium . . . . .	...	...	126	144	139	166	13	22
Brazil . . . . .	...	...	89	89	89	89	...	...
Australia . . . . .	...	...	71	49	71	49	...	...
Spain . . . . .	...	...	25	85	20	84	...	...
Greece . . . . .	...	...	20	20	20	20	...	...
British India . . . . .	...	...	15	15	15	17	...	...
China . . . . .	...	...	4	12	4	12	...	...
Cuba . . . . .	...	...	18	8	18	8	...	...
Peru . . . . .	...	...	1	...	1	...	...	...
New Zealand . . . . .	...	...	7	5	7	5	...	...
Total	23,890	22,951	23,881	22,912	5,383	6,023	5,401	6,064

¹ Does not include production of Belgium, "Manchukuo", or Spain.

² Consumption estimated on the basis that production plus imports minus exports equals consumption.

Note: The data shown above were compiled from authoritative sources and are believed to be reasonably correct.

UNITED KINGDOM ELECTRICITY SUPPLIES

By J. A. Langley, Canadian Trade Commissioner at London

The publication of the annual reports of the Central Electricity Board for the four years 1940-1943 discloses the expansion which has taken place during the war in the electricity generating and distributing industry of the United Kingdom.

The mileage of transmission lines at the end of 1943 was 5,099, or 670 miles more than at the end of 1939. The number of "Selected Stations" generating electricity increased by 5 to 142 over the same period; but, in contrast with that small expansion, total output of electric current rose by no less than 40 per cent (and by over 50 per cent reckoning from 1938) to 37,021,000,000 units.

Of the amount distributed by the supply industry, 98·65 per cent was produced at stations generating for the Central Electricity Board.

The large increase in the output of electricity would have been quite impossible were it not for a great improvement in the "load factor" of the system, which, as the result of black-out restrictions and longer working hours leading to a greater constancy of demand throughout the day, rose from 36 per cent in 1938 to 50 per cent in 1942 and 48 per cent in 1943.

Wartime Expansion

The "grid" system facilitated both the construction of new factories and the dispersal of production to meet air attack.

Without the complete system of inter-connection afforded by the grid, the rapidly expanding demand of the munition factories could not have been met, nor would the large-scale transfer

and planned location of industry have been possible.

At the same time military considerations halted the policy of concentrating the production of electricity in the most economically operated generating stations, a process which was gradually proceeding before the war.

New Equipment

Canada is interested in electrical developments in the United Kingdom, both as a potential exporter of domestic appliances and importer of steam-generating equipment for power plants.

During 1943 the Central Electricity Board, viewing requirements in the event of the war finishing in the autumn of 1944, put forward a program of new generating plant, some of which would be required to be in service by the autumn of 1947 and the whole by the autumn of 1948.

The greater part of this program has been approved on the understanding that the authorized undertakers concerned should be empowered to

place orders for the main items of plant; but that, pending the end of the war with Germany, no work of manufacture should be commenced until further consent was given. In addition, the authorities are making provision for the resumption of a certain proportion of export trade in generating equipment.

Wartime factors considerably affecting the operation of the grid included, in addition to black-out restrictions and the continuance of summer time throughout the winter months, the inferior and variable quality of coal, which resulted in a reduction of output capacity and efficiency of boilers. During the period of heavy demand in the winter of 1942-3 the aggregate amount of plant out of commission because of overhaul, break-down and other causes averaged 1,250,000 kw.; and in the 1943-4 winter, 1,857,000 kw., being respectively 13 per cent and 18·6 per cent of the aggregate output capacity of all the generating stations, against an average of about 6 per cent before the war.

OVERSEAS TRADE OF AUSTRALIA, JULY-DECEMBER, 1944

By K. F. NOBLE, *Acting Trade Commissioner at Sydney*

Details of Australia's overseas trade in merchandise for the six months ended December 31, 1944, have just been released by the Commonwealth Statistician. They include some interesting comparisons by main classes and in certain specific commodities with the corresponding six-month periods of 1938 (last pre-war year) and 1943.

Total trade in British currency amounted to £151,759,000 (\$678,462,730) as compared with £171,622,000 in 1943, a decrease of £19,863,000. Imports were valued at £90,957,000 (\$406,577,790) as against £117,488,000 in the corresponding six months of the previous year, a decrease of £26,531,000. However, the value of exports rose to £60,802,000 (\$272,784,940) as compared with £54,134,000 in 1943, an increase of £6,668,000. The adverse balance of trade amounted to £30,155,000 as against £63,354,000 for the corresponding period of 1943.

Details of trade in certain minerals, chemicals and key materials, such as oils, rubber, etc., are not available for publication, but the values of such entering into civil trade are included in the totals shown. Bullion and specie figures are also not available for publication.

Totals of exports and imports to and from various countries are shown in the following tables:—

Australian Exports, July-December, 1944

Country of Destination	Civil Exports £A1,000	Total Exports* £A1,000
Empire countries—		
United Kingdom	24,060	26,503
Canada	1,603	1,607
New Zealand	3,151	4,026
Union of South Africa.	346	549
Other Empire countries	8,375	23,081
Total	37,535	55,766

	Civil Imports	Total Imports*
Foreign countries—		
United States	12,204	13,170
Other foreign countries	4,104	7,218
Total	16,308	20,388
Total, all countries ..	53,843	76,154

*Australian Imports, July-December,
1944*

Country of Origin	ftsg.1,000	fstg.1,000
Empire countries—		
United Kingdom	14,449	27,557
Canada	1,511	5,683
New Zealand	657	838
Union of South Africa	260	274
Other Empire countries ..	10,262	12,139
Total	27,139	46,491

	Civil Imports	Total Imports*
Foreign countries—		
Iran	2,174	2,366
United States	7,061	36,959
Other foreign countries	3,380	3,637
Total	12,615	42,962
Outside packages	1,504	1,504
Total, all countries ..	41,258	90,957

*Inclusive of war supplies.

Comparative figures of total exports and imports by statistical classes and by main commodities for the six-month periods July-December, 1938, 1943, and 1944 are shown in the four accompanying tables.

Australian Exports by Statistical Classes

	July-December		
	1938 f.A.1,000	1943 f.A.1,000	1944 f.A.1,000
Foodstuffs of animal origin	15,358	12,162	13,529
Foodstuffs of vegetable origin	12,878	10,876	18,685
Spirituous and alcoholic liquors	702	753	880
Tobacco and preparations thereof	175	521	287
Live animals	114	20	35
Animal substances, not foodstuffs	25,586	26,981	23,450
Vegetable substances and fibres	142	561	518
Apparel, textiles and yarns	338	1,456	1,523
Oils, fats and waxes	362	*	*
Paints and varnishes	95	58	51
Stones and minerals, including ores	1,311	1,383	1,356
Metals, metal manufactures and machinery	4,758	3,685	5,456
Rubber and leather	365	*	*
Wood and wicker	613	157	209
Earthenware, cements, china, glass	121	117	154
Paper and stationery	232	205	266
Jewellery, timepieces and fancy goods	97	94	41
Optical, surgical and scientific instruments	200	77	99
Drugs, chemicals and fertilizers	391	609	700
Miscellaneous	557	*	*
Total	64,395	67,803	76,154

* Figures not available for publication.

Australian Exports by Main Commodities

	July-December		
	1938 f.A.1,000	1943 f.A.1,000	1944 f.A.1,000
Butter	6,582	2,921	3,575
Cheese	590	1,069	1,099
Meats—			
Beef	2,257	804	702
Lamb	3,284	2,489	2,058
Pork	301	124	917
Preserved in tins	235	1,877	1,937
Milk and cream	443	770	736
Biscuits	41	339	150
Raisins	947	1,616	1,494
Wheat	3,818	2,103	8,687
Flour	2,253	2,720	4,713
Sugar	3,944	769	490
Wine	571	239	283
Rabbit skins	319	3,208	2,854
Sheepskins	1,506	855	815
Wool, greasy	19,806	16,941	13,926
Wool, scoured, etc.	2,892	5,307	5,204
Apparel and attire	77	794	274
Tallow	238	536	425
Iron and steel	791	354	542
Pig lead	2,141	1,625	3,008

Australian Imports by Statistical Classes

	July-December		
	1938 fstg.1,000	1943 fstg.1,000	1944 fstg.1,000
Foodstuffs of animal origin	713	338	428
Foodstuffs of vegetable origin	1,991	2,688	3,021
Spirituos liquors	370	36	223
Tobacco and preparations thereof	961	2,942	2,054
Live animals	83	15	31
Animal substances, not foodstuffs	854	299	361
Vegetable substances and fibres	1,347	2,653	3,074
Apparel, textiles and yarns	9,326	19,657	20,054
Oils, fats and waxes	4,103	*	*
Paints and varnishes	277	252	229
Stones and minerals, including ores	490	855	670
Metals, metal manufactures and machinery	16,199	53,896	30,201
Rubber and leather	808	*	*
Wood and wicker	1,024	299	550
Earthenware, cements, china, glass, etc.	1,056	381	502
Paper and stationery	3,200	2,199	3,045
Jewellery, timepieces and fancy goods	904	284	244
Optical, surgical and scientific instruments	823	815	909
Drugs, chemicals and fertilizers	2,931	3,056	2,824
Miscellaneous	3,235	*	*
Total	50,695	117,488	90,957

* Figures not available for publication.

Australian Imports by Main Commodities

	July-Dec., 1938 Total Imports	July-Dec., 1943 Civil Imports	July-Dec., 1944 Total Imports	Figures in £Stg.1,000
Fish, preserved in tins	398	16	263	5
Tea	1,329	2,024	2,059	1,871
Tobacco, unmanufactured	901	2,898	2,898	2,038
Cotton, raw	139	443	443	709
Carpets, linoleums, etc.	799	1	2	3
Piece-goods—				
Cotton and linen	2,686	2,629	6,462	2,680
Hessians	207	440	1,842	730
Silk or containing silk	1,401	2,214	2,256	3,122
Corn and flour sacks	662	1,038	1,038	1,499
Woolpacks	183	622	622	771
Yarns—				
Artificial silk	239	646	646	612
Cotton	205	276	339	548
Iron and steel—				
Plate and sheet, tinned	981	1,976	2,120	246
Timber undressed	763	234	239	279
Glass and glassware	522	124	142	158
Printing paper	1,415	316	374	730
Dyes	179	418	437	317
Fertilizers	722	417	448	738

Exports

(£A1 equals \$3.5960 Canadian)

Values for all exports are shown in Australian currency, and, as will be noted from the foregoing tables, there was a marked increase in the total for the six months ended December 31, 1944, which amounted to £A76,154,000 as compared with £A67,803,000 for the corresponding six months of 1943.

Totals of exports under the classification oils, fats and waxes, rubber

and leather, and miscellaneous are not available for publication, but, of the seventeen other classes, eleven showed increased figures.

The largest value was for the group animal substances, not foodstuffs, which, however, showed a decrease of £A3,531,000, amounting to only £A23,450,000 as compared with £A26,981,000 for the corresponding period of 1943. The chief item in this group was greasy wool, the value for which was £A13,926,000 (£A16,941,000 in 1943), fol-

lowed by scoured wool and tops, £A5,-204,000 (£A5,307,000); rabbit skins, £A2,854,000 (£A3,208,000); and sheepskins, £A815,000 (£A855,000).

There was an increase of £A7,809,000 under the heading foodstuffs of vegetable origin, which totalled £A18,-685,000 as compared with £A10,876,000 in 1943. Exports of wheat were valued at £A8,687,000 (£A2,103,000); wheaten flour, £A4,713,000 (£A2,720,000); and raisins, £A1,498,000 (£A1,616,000).

Foodstuffs of animal origin showed an improved figure of £A13,529,000 (£A12,162,000), an increase of £A1,-367,000 over the 1943 value. The chief commodity was butter, £A3,575,000 (£A2,921,000), followed by frozen lamb, £A2,058,000 (£A2,489,000); meats preserved in tins, £A1,937,000 (£A1,877,000); and cheese, £A1,099,000 (£A1,069,000).

Full details are not shown for exports under the heading metals, metal manufactures and machinery, the total for which amounted to £A5,456,-000 (£A3,685,000), an increase of £A1,-771,000. Of the commodities shown, pig lead and in the matte amounted to £A3,008,000; zinc in bars, blocks, ingots, etc., £A876,000 (£A522,000); iron and steel, £A542,000 (£A354,000); and machines and machinery, £A495,000 (£A566,000).

Other classifications totalling more than £A1,000,000 were apparel, textiles and yarns, £A1,523,000 (£A1,456,-000); and stones, minerals and ores, £A1,356,000 (£A383,000).

Imports

(Values shown are in sterling; £1 equals \$4.47 Canadian)

There was a decrease of £26,531,000 in the value of imports into Australia during the six months ended December 31, 1944, which amounted to only £90,957,000 as compared with £117,-488,000 for the corresponding six months of 1943.

Details of imports of oils, fats and waxes, rubber and leather, and miscellaneous are still withheld from publication for national security reasons,

but values of imports of the commodities constituting the other seventeen classifications are as shown in the following paragraphs:—

METALS, METAL MANUFACTURES AND MACHINERY

Total imports under this heading amounted to £30,201,000 as compared with £53,896,000 for the corresponding six months of 1943, a decrease of £23,695,000.

This classification is divided into two sections: machines and machinery and metals and metal manufactures, and, although total imports in neither group are given, particulars of some of the commodities are shown.

MACHINES AND MACHINERY

Of the published figures in this section, imports of dynamo electric machines were valued at £525,000 (£241,-000 in 1943); telegraph and telephone switchboards, £486,000 (£335,000); covered cable and wire, £417,000 (£586,000); batteries and accumulators, £45,000 (£18,000); filament lamps, £44,000 (£24,000); and other electrical machinery and appliances, £1,379,000 (£1,122,000). Imports of roller and ball bearings amounted to £284,000 (£294,-000); yarn- and textile-making machinery, £149,000 (£160,000); sewing-machines, £109,000 (£91,000); mining machinery, £101,000 (£101,000); and dairying machinery, £62,000 (£56,000).

METALS AND METAL MANUFACTURES

The largest published value under this heading was for imports of iron and steel (tinned plate and sheet), £1,957,000 (£2,120,000), followed by tools of trade, £759,000 (£600,000); iron and steel (plain plate and sheet), £312,000 (£271,000); motor cycles, side-cars, etc., £264,000 (£382,000); platedware and cutlery, £263,000 (£238,000); cycles and cycle parts, £239,000 (£123,000); bars, rods, hoops, ingots of iron and steel, £162,000 (£335,000); and lamps and lampware, £102,000 (£64,000).

APPAREL, TEXTILES AND YARNS

The total value of imports in this classification amounted to £20,054,000 as compared with £19,657,000 in the corresponding six months, an increase of £397,000. This group is divided into three sections: apparel and attire, textiles, and yarns and manufactured fibres.

APPAREL AND ATTIRE

As most of the constituents of this group are prohibited imports, only the small total of £446,000 was shown for the six months ended December 31, 1944, a decrease of £225,000 from the 1943 period total of £671,000. Imports of trimmings and ornaments were valued at £164,000 (£210,000); shirts, collars, ties, etc., £39,000 (nil); hats and caps, £22,000 (£7,000); boots and shoes, £16,000 (£5,000); buttons, £9,000 (£29,000); and other apparel and attire, £196,000 (£420,000).

TEXTILES

Little difference was shown in the imports in this section as compared with the relevant period of the previous year, the total amounting to £15,674,000 (£15,448,000), an increase of £226,000. The main item was piece-goods of cotton and linen, £9,309,000 (£6,462,000), followed by silk, including artificial silk piece-goods, £3,168,000 (£2,256,000); hessian and other jute piece-goods, £753,000 (£1,842,000); canvas and duck, £679,000 (£2,103,000); and sewing and other cottons, £401,000 (£337,000).

YARNS AND MANUFACTURED FIBRES

Imports under this heading were valued at £3,934,000 (£3,538,000), an increase of £396,000. The value for corn and flour bags and sacks amounted to £1,499,000 (£1,038,000); woolpacks, £771,000 (£622,000); cotton yarns, £667,000 (£339,000); artificial silk yarns, £614,000 (£646,000); and chaff, bran and fodder sacks, £217,000 (£159,000).

VEGETABLE SUBSTANCES AND FIBRES

Imports under this heading were valued at £3,074,000 (£2,653,000), an

increase of £421,000. The chief item was raw cotton fibre, £709,000 (£443,000), followed by linseed, £604,000 (£463,000); pulp for paper-making, £540,000 (£333,000); gums and resins, £277,000 (£303,000); fibres, other than raw cotton, flax and hemp and kapok, £239,000 (£206,000); and tanning substances, £180,000 (£149,000).

PAPER AND STATIONERY

An increase of £846,000 was shown for imports in this classification, the total value amounting to £3,045,000 (£2,199,000). The sections comprising this classification are paper and stationery and paper manufactures.

PAPER

Total imports of paper were valued at £1,956,000, an increase of £646,000 over the previous corresponding period's total of £1,310,000. Imports of printing paper were valued at £973,000 (£374,000); writing and typewriting paper, £464,000 (£359,000); wrapping paper, £104,000 (£150,000); mill and other boards, £77,000 (£104,000); parchment, £17,000 (£80,000); and other paper, £321,000 (£243,000).

STATIONERY AND PAPER MANUFACTURES

An increase of £200,000 was shown in this sub-group, the total value amounting to £1,089,000 as compared with £889,000 in the corresponding six months of 1943. Books, directories, etc., were valued at £808,000 (£622,000); pens and pencils, £92,000 (£80,000); catalogues, price lists, etc., £5,000 (£6,000); and other stationery, £184,000 (£181,000).

FOODSTUFFS OF VEGETABLE ORIGIN

The total value of imports in this class amounted to £3,021,000 as compared with £2,688,000 in the corresponding six months of 1943, an increase of £333,000. The main item was tea, for which the value was £1,970,000 (£2,059,000), followed by cocoa and chocolate, £413,000 (£213,000); coffee and chicory, £215,000 (£127,000); and unprepared grain and pulse, £95,000 (£110,000).

DRUGS, CHEMICALS AND FERTILIZERS

There was a decrease of £232,000 in the value of imports under this heading, the value totalling £2,824,000 (£3,056,000). Fertilizers accounted for £773,000 (£448,000); dyes, £317,000 (£437,000); proprietary medicines, £166,000 (£212,000); other drugs and medicinal preparations, £285,000 (£164,000). Details of a number of the items in this group were withheld from publication.

TOBACCO

Imports of tobacco were valued at £2,054,000 (£2,942,000), a decrease of £888,000 from the 1943 value. Imports of unmanufactured tobacco were valued at £2,046,000 (£2,898,000), manufactured tobacco at £7,000 (£31,000), and cigarettes at £1,000 (£13,000).

OPTICAL, SURGICAL AND SCIENTIFIC INSTRUMENTS

There was an increase of £94,000 in imports in this class, the total value amounting to £909,000 (£815,000), made up as follows: surgical and dental instruments, £316,000 (£338,000); films for cinematographs, £243,000 (£222,000); optical and meteorological instruments, £213,000 (£131,000); talking machines, phonographs, etc., £9,000 (£15,000); and other instruments, £128,000 (£109,000).

STONES AND MINERALS, INCLUDING ORES

Imports under this heading were valued at £670,000 (£855,000), a decrease of £185,000 from the 1943 total. Constituents of this group were: asphalt, bitumen and pitch, £137,000 (£149,000); abrasive stones, £92,000 (£187,000); other stones, £5,000 (£10,000); and other minerals, etc., £436,000 (£509,000).

WOOD AND WICKER

A total of £550,000 was shown for imports in this class, an increase of £251,000 over the corresponding period's total of £299,000 in 1943. Imports of undressed timber were valued

at £423,000 (£239,000); dressed timber at £73,000 (£10,000), and wood and wicker manufactures at £54,000 (£50,000).

EARTHENWARE, CHINaware, ETC.

Improved figures were shown for imports in this group, the total being £502,000 (£381,000), an increase of £121,000. Crockery and other household ware accounted for £276,000 (£165,000); glass and glassware, £182,000 (£142,000); and other earthenware, china, etc., £44,000 (£74,000).

FOODSTUFFS OF ANIMAL ORIGIN

Imports under this heading were valued at £428,000 (£338,000), an increase of £90,000 from the 1943 figure. The main items were: fish preserved in tins, £311,000 (£263,000); fresh, smoked or potted fish, £47,000 (£41,000); sausage casings, £39,000 (£9,000); and meats preserved in tins, £14,000 (£1,000).

ANIMAL SUBSTANCES, NOT FOODSTUFFS

An increase of £62,000 was shown for this class, total imports valued at £361,000 (£299,000) being chiefly made up of the following: hair and fibres, £98,000 (£24,000); calf, cattle and horse hides and skins, £93,000 (£101,000); and wool, £55,000 (£40,000).

JEWELLERY, TIMEPIECES AND FANCY GOODS

These imports were valued at £244,000 (£284,000), a decrease of £40,000. Imports of timepieces, watches, clocks, etc., were valued at £176,000 (£118,000); fancy goods other than toys, £39,000 (£43,000); and articles for games, £17,000 (£11,000).

PAINTS AND VARNISHES

There was a decrease of £13,000 in imports in this group, the total value amounting to only £229,000 (£252,000), made up of the following: paints and colours, £227,000 (£249,000); and varnishes, stains, etc., £2,000 (£3,000).

SPIRITUOUS LIQUORS

Imports under this heading were valued at £223,000 (£36,000), an increase of £187,000. The chief item was whisky, imports of which totalled £220,000 (£26,000).

LIVE ANIMALS

Live animals were imported to a total value of £31,000 as compared with £15,000 in the corresponding six months of 1943.

OILS, FATS AND WAXES

The value of oil imports is not published, but imports of fats and waxes totalled £163,000 (£124,000).

RUBBER AND LEATHER AND MANUFACTURES THEREOF

Details of rubber and rubber manufactures are not published, but imports of leather and leather manufactures totalled £23,000 in value, being the same as for the corresponding six-month period of 1943.

MISCELLANEOUS

Items in this group included: outside packages, £1,506,000 (£2,107,000); goods imported by parcel post, £289,-000 (£226,000); packings for engines, £133,000 (£90,000); passengers' effects, £92,000 (£49,000); oilmen's stores, £73,000 (£3,000); and articles of celluloid and sheets, £24,000 (£80,000).

MARKET PROSPECTS FOR DRIED EGGS IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

By W. B. McCULLOUGH, Assistant Trade Commissioner at Port of Spain

Of the Eastern Group of the British West Indies, Trinidad has been the only colony to import quantities of shell eggs and eggs in other forms. Imports of shell eggs amounted to 3,050 cwt. in 1938 and 4,062 cwt. in 1939. Imports of liquid, dried and frozen eggs were 359 cwt. and 413 cwt., respectively, during the same periods.

Since the war, imports have varied with the amount of refrigerated shipping space available. However, the demand has been greater than the supply of both imported eggs and domestic production. The smaller colonies, comprising the Windward and Leeward Islands, as well as Barbados and British Guiana, largely produce their own requirements, although during the war years, with the shortage of imported poultry feeds, production has not in all cases kept up with demand.

Aside from the prejudice against a dehydrated product, dried eggs will necessarily have to compete in price with locally produced fresh eggs, and in Trinidad with imported eggs either in the shell or in the liquid or frozen

state. The pre-war prices of fresh eggs were from 2 to 4 cents each as compared with the present prices in most of the colonies of from 4 to 6 cents each.

Trade circles feel that in normal times there will be no worthwhile demand for the 5-ounce domestic package, for under normal conditions local fresh eggs are in ample supply during the laying season, which begins in November. On the other hand, during the peak production season in Canada, which is the off season here, fresh eggs can be imported and sold very close to the normal price of domestic fresh eggs.

During the war, the baking of cakes for sale has been prohibited. It is expected that these restrictions will be relaxed as soon as conditions permit, and there should be some demand for the 14-pound container from the bakers. It would appear worthwhile to concentrate on this outlet.

Due to the hot, humid climate of the tropics, it is important that this product be packed in airtight containers.

EXPORTS TO MIDDLE EAST COUNTRIES

With reference to the article under the above heading in *Commercial Intelligence Journal* No. 2141 (February 10, 1945), page 128, an official notice dated February 8 has been received from the Middle East Supply Centre, Cairo, which revises the list of commodities in paragraph 6 of that article and indicates the items for which Canada has been specifically nominated as a supply area. A list of these items is given below. Amendments to this list will be published from time to time as received. Inclusion in the list does not necessarily mean that supplies are available in Canada.

Commodities which do not appear in this compilation fall into two groups: (1) those requiring M.E.S.C. clearance but for which Canada has not been named as a loading area; (2) those not subject to M.E.S.C. procedure and requiring only local import licence in the country concerned. The number of commodities in the first group makes it impracticable to publish the complete list, but exporters who are interested in knowing the precise category of their goods may write to the Department of Trade and Commerce, Ottawa, for further particulars.

Food and Drink—

Baby foods, containing milk products.
Cocoa butter.
Glucose.
Milk powder.
Seed potatoes.
Tinned milk (sweetened, unsweetened, condensed).

Chemicals—

Acetic acid.
Acetic anhydride.
Acetone.
Acetylene black.
Ammonia, anhydrous.
Ammonium nitrate.
Ammonium sulphate.
Aniline salts.
Aniline oil.
Arsenious oxide.
Butyl acetate.
Calcium arsenate.
Calcium carbide.
Candles.
Carbon bisulphide.
Carbon tetrachloride.

Chemicals—Con.

Carbon tetrachloride and ethylene dichloride mixture.
Casein.
Chlorine, liquid.
Chromic acid.
Cod oil (sulphonated or unsulphonated).
Cresols (ortho-, para-, meta-, meta-para-).
Explosives, dynamite.
Explosives, gelignite.
Fish oils, n.e.s., sulphonated or unsulphonated.
Formaldehyde.
Glucose, inedible.
Lead arsenate.
Neat's-foot oil, sulphonated.
Neat's-foot oil, non-sulphonated.
Other oils, fats and tallow of vegetable, animal or marine kinds for inedible purposes.
Paints, oil (all straight linseed oil types).
Paints, marine.
Paris green.
Phosphoric acid.
Phosphorus.
Phthalic anhydride.
Sod oil.
Sodium arsenate.
Sodium phosphate (mono-, di-, tri-).
Soft soap for insecticidal or industrial purposes.
Starch, inedible.
Whale oil.
Lumber and Manufactures—
Battery separators.
Box boards.
Pencil slats.
Paper, Paperboard and Paper Products—
All paper and paper products except: woodpulp, glassine, stereo tissues, blotting, stereo blotting, sheathing and building paper, paper bags other than multi-wall, wallpaper.
Hydes, Skins, Leather and Footwear—
Gin leather.
Harness leather.
Leather belting.
Mechanical leather n.e.s.
Textiles—
Rayon made-up apparel, woven.
Rayon made-up apparel, knitted.
Canvas and tarpaulins.
Hats and helmets.
Metals and Manufactures—
Copper wire and cable, insulated.
Copper cable, armoured.
Copper wire, winding, enamelled.
Copper wire, winding, other than enamelled.
Lead ingots, bars, etc.
Lead sheets and pipe.
Lead wool.
Babbitt.
Solders.

Metals and Manufactures—Con.

Type metal.
 Lead manufactures, n.e.s.
 Construction equipment, tractor-mounted.
 Construction machinery, specialized.
 Construction material: mixers, spreaders, pavers, surfacers, finishers, tampers, vibrators, and related construction machines.
 Drilling and boring machinery.
 Pneumatic equipment (other).
 Cranes, hoists and winches.
 Drilling machinery, water well.
 Graders, scrapers and maintainers.
 Power cranes, derricks, shovels, drag lines, dredges, related equipment.
 Tractors, track-laying.
 Cars, rail, mine.
 Cars, locomotives for underground mine haulage.
 Industrial refrigeration equipment.
 Refrigerators, mechanical, electric.
 Refrigerators, mechanical, kerosene.
 Refrigerators, mechanical, gas.
 Sewing machines, domestic.
 Cotton belting.

Automotive Transport—
 Bus and truck chassis, light.
 Bus and truck chassis, medium.
 Bus and truck chassis, heavy.
 Automotive carburettors and replacement parts.
 Automotive internal combustion engines and spare parts.
 Automotive bearings, babbitted, common and sleeve.
 Automotive sparking plugs and replacement parts.
 All other automotive replacement parts, except moulded brake linings.
 Automotive storage batteries.
 Automotive storage battery replacement parts.

Agricultural Machinery—
 All types.

Pharmaceuticals, Drugs and Medical Supplies—
 Dextrose.
 Cerelose.
 Pharmaceutical glands from animals slaughtered for food.
 Lactose.
 Cod liver oil.
 Halibut liver oil.
 All oils, fats and tallow, vegetable, animal or marine, for medicinal purposes.
 Castor oil, medicinal.
 Lanolin.
 Emetine and salts.
 Ipecac and derivatives.
 X-ray film.
 Sodium citrates.

Rubber—
 Truck and bus tires.
 Truck and bus tubes.
 Passenger car tires.
 Passenger car tubes.
 Motor-cycle tires.
 Motor-cycle tubes.
 Bicycle tires.
 Bicycle tubes.
 Belting, rubber.
 Camelback and tread sheet.
 Rubber hose.
 Rubber packing.
 Rubber thread, bare.

Miscellaneous—
 Photographic paper.
 Photostat and other special sensitized paper.
 Blank cartridges.
 Carbon paper.
 Cartridges, shotgun.

TRADE REGULATIONS AND TARIFF CHANGES**Trinidad****IMPORT RESTRICTIONS ON ALUMINIUM MODIFIED**

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, writes that the Trinidad Import Control Board gave notice on March 12 that import restrictions have been removed on the importation of aluminium and alloys and manufactures thereof, including domestic hollow-ware of all kinds.

While imports into Trinidad will still be covered by quotas established for 1945, Canadian firms are now free to

offer aluminium hollow-ware to that Colony on a commercial basis.

Bahamas**TARIFF ON CINEMA FILMS AMENDED**

An amendment to the Bahamas Customs tariff, assented to on November 20, 1944, changed the duty on cinema films more than five thousand feet long, intended for commercial exhibition, from £1 10s. per film British preferential tariff and £3 general tariff to 10 per cent ad valorem British preferential tariff and 20 per cent ad valorem general tariff.

REGULATIONS FOR EXPORT SHIPMENTS FROM CANADA

Turkey

The Shipping Priorities Committee announce that, effective April 1, Form E-1, Revised, must be completed in septuplicate and submitted to them for all proposed shipments to Turkey, regardless of weight, if such shipments are to be made via a United States port.

In the case of shipments originating in Canada but held in bond in the United States, form FEA 138 (Statement of Cargo Availability) may be filed with the Foreign Economic Administration, New York, provided United States export licence requirements have been met.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to March 3, 1945:

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to March 3, 1945
Whole milk	Gal.	3,000,000 per calendar year	6½ to 3⅓c per gal.	4,689 Per Cent
Cream	Gal.	1,500,000 per calendar year	56½ to 28½c. per gal.	150
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	15,000,000 per calendar year	2½ to 1¾c. per lb.	3,908,681† 26.0
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1944	75 to 37½c. per 100 lb.	Quota filled
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1944	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	Quota filled
Red cedar shingles	Sq.	§	Free	278,973
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1944	50 to 35% ad val.	28,386† 28.3
Tails	Piece	5,000 beginning Dec. 1, 1944	50 to 35% ad val.	.... ....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† Imports of foxes valued under \$250 each and whole furs and skins from countries other than Canada amounted to 393 for the period December 1, 1944, to March 3, 1945.

‡ This figure includes fish from other countries as well as Canada. The statement by the Treasury Department gives no indication of the proportion of these imports supplied by Canada.

§ The 1945 quota for red cedar shingles has not yet been determined.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 26, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 26, 1945, and for the week ending Monday, March 19, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Mar. 19	Nominal Quotations in Montreal Week ending Mar. 26	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.866 Bid Offer	4.4200 4.4800	4.4200 4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2770	.3304 .2770	3½
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½
Colombia	Peso	.9733	.6325	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6016	—
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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281
CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

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South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom. (Until further notice, trade inquiries should be addressed to the Johannesburg office.)*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

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London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

	Page
Anglo-Swedish Monetary Agreement..	285
Canadian Export Commodities and Industries	
19. Pulp and Paper—Concluded....	286
Market in Ireland for Electric Washing-machines	293
Trend of Retail Profits in Australia..	295
Conditions in Southern California...	296
Economic, Trade and Production Notes	298
Agency Appointments by Canadian Firms in Foreign Markets.....	299
Resumption of Trade with France, French North Africa, and French West Africa	300
Mail Service to France, Belgium, Finland, and Roumania.....	300
Revised Regulations Respecting Trading with the Enemy (1943) Roumania	301
Trade Regulations and Tariff Changes	301
Canada's External Trade in February	302
Foreign Exchange Quotations	305
Condensed List of Publications.....	306
Commercial Intelligence Service	307

ANGLO-SWEDISH MONETARY AGREEMENT

By J. A. Langley, *Canadian Trade Commissioner at London*

A monetary agreement between the United Kingdom and Sweden was concluded in London on March 6. It is antedated to January 1, 1945.

The background of this agreement is that the limited trade which has been possible between the two countries during the war has, as might be expected, been strongly in favour of Sweden. The balances resulting from the United Kingdom's excess of imports from Sweden have been paid for in gold and gold currencies.

Under the new arrangements, sterling is restored as the medium of payment of any similar indebtedness incurred by Great Britain. It is probable that, until United Kingdom industry has recovered, Swedish exports to the United Kingdom of lumber, wood-pulp, iron ore, etc., will exceed the United

Kingdom's shipments to Sweden of coal, textiles, machinery, etc.

Article 1 of the agreement establishes the rate of exchange between the two countries at Swedish kronor 16.90 to £1. It is laid down that this rate shall not be varied except after giving as much notice as may be practicable.

Article 2 provides that the Bank of England shall sell to Sveriges Riksbank (acting as agents of the Swedish Government) against Swedish kronor such sterling as may be required for payments which Swedish residents are permitted to make to residents of the sterling area. Sveriges Riksbank will in return sell to the Bank of England against sterling such Swedish kronor as may be required for payments which residents of the sterling area are permitted to make to residents of Sweden.

Article 3 provides for the discharge of any liabilities on one side or the other by a sale of gold. The clause, however, is permissive only, and no price is fixed for any such transfer of gold.

Sterling Area

Another feature of the agreement is that sterling held by residents of Sweden is to be freely available for transfer to other residents of Sweden and to residents of the whole sterling area, while Swedish kronor held by residents of the sterling area is to be freely available for transfer to other residents of the sterling area and to residents of Sweden.

While the agreement is thus bilateral as between Sweden and the sterling area, provision is made for the con-

version of balances into other currencies, such as dollars, by agreement. It is further agreed that, if during the currency of the agreement either Government adheres to a general international monetary agreement, the terms of the present agreement shall be reviewed with a view to making any amendments that may be required.

In the light of the trade and financial situation existing between the two countries, the agreement is generally interpreted to imply that Sweden, which is likely to be a creditor of the United Kingdom for some time, has expressed willingness to hold a considerable accumulation of sterling for an indefinite period, with the intention in due course of using this balance to purchase goods in the sterling area.

CANADIAN EXPORT COMMODITIES AND INDUSTRIES

19. PULP AND PAPER—Concluded

By L. J. POULIOT, *Chief, Forestry Branch, Dominion Bureau of Statistics
Paper*

The production of paper in Canada dates from 1803, but very little information is available concerning this industry until the beginning of the present century. Paper made chiefly of rags and without labour-saving machinery was an expensive commodity.

On the basis of the census figures, the production of paper does not appear to have exceeded 10,000 tons in 1871 but may have reached close to 25,000 tons by 1881. At the close of the nineteenth century, however, the production of paper and "cardboard"—as it was then called—appears to have been close to 100,000 tons.

VOLUME AND VALUE OF OUTPUT

By 1917, when accurate statistics were compiled for the first time, paper of all kinds totalled 855,754 tons valued at \$59,250,058. The volume of paper produced increased from 1917 to 1920, decreased in 1921, rose steadily from 1922 to 1929, fell each year from 1930 to 1932, and then began rising again

in 1933 until a new peak was reached in 1937.

Production fell sharply in 1938 but rose again in 1939 and 1940, and established a new record in 1941 with 4,524,776 tons. Decreases in 1942 and 1943 brought down the figure to 3,966,344 tons.

The total value of paper reached \$192,989,252 in 1929. This figure was not exceeded until 1940 when it rose to \$225,836,809, followed in 1941 by an all-time high of \$241,450,292. Total value decreased to \$230,269,512 in 1942 but rose again to \$235,362,958 in 1943.

Table VII gives a review of paper production, by kinds, for the calendar years 1917 to 1943.

PRODUCTION BY KINDS

In 1917 the production consisted of 80.6 per cent newsprint paper, 6.3 per cent paperboards, 6.1 per cent wrapping paper, 5.7 per cent book and writing paper and 1.3 per cent tissue and miscellaneous paper.

TABLE VII
Canadian Paper Production, by Kinds, 1917-43

—	Newsprint Paper		Book and Writing Paper		Wrapping Paper	
	Tons	\$	Tons	\$	Tons	\$
1917.....	689,847	38,868,084	48,279	9,332,998	52,287	5,891,898
Average 1918-22.....	858,305	67,255,978	59,582	14,056,727	66,572	8,467,229
“ 1923-27.....	1,629,637	110,622,112	74,984	13,403,072	93,107	8,396,884
“ 1928-32.....	2,356,787	125,617,632	67,694	11,749,739	85,514	8,359,921
“ 1933-37.....	2,858,331	94,769,252	71,026	10,507,317	86,945	8,227,696
1938.....	2,668,913	107,051,202	73,834	11,098,901	90,879	9,069,298
1939.....	2,926,597	120,858,583	90,135	12,773,781	109,907	10,712,394
1940.....	3,503,801	158,447,311	102,696	15,518,667	139,716	14,457,299
1941.....	3,519,733	158,925,310	117,444	18,476,397	162,581	16,744,806
1942.....	3,257,180	147,074,109	121,419	19,181,665	165,991	17,221,769
1943.....	3,046,442	154,290,163	122,174	19,047,039	145,545	15,614,453

—	Paperboards		Tissue and Miscellaneous Paper		Total Paper	
	Tons	\$	Tons	\$	Tons	\$
1917.....	54,080	3,543,164	11,261	1,613,914	855,754	59,250,058
Average 1918-22.....	117,158	8,114,829	30,117	3,247,870	1,131,734	101,142,633
“ 1923-27.....	145,489	8,579,841	42,300	4,573,593	1,985,517	145,575,502
“ 1928-32.....	217,826	11,247,289	47,204	4,646,128	2,775,027	161,620,709
“ 1933-37.....	322,850	15,650,598	45,228	3,960,105	3,384,380	133,114,968
1938.....	356,891	19,288,172	58,841	5,142,492	3,249,358	151,650,065
1939.....	413,687	21,359,828	60,176	5,071,476	3,600,502	170,776,062
1940.....	500,094	31,078,759	73,107	6,334,773	4,319,414	225,836,809
1941.....	649,840	40,214,658	75,178	7,089,121	4,524,776	241,450,292
1942.....	609,175	38,641,867	78,002	8,150,102	4,231,767	230,269,512
1943.....	568,101	37,527,768	84,082	8,883,535	3,966,344	235,362,958

In 1938, the year immediately preceding the war, newsprint paper accounted for 82.1 per cent of the total production, paperboards for 11 per cent, wrapping paper for 2.8 per cent, book and writing paper for 2.3 per cent and tissue and miscellaneous paper for 1.8 per cent. In 1943 the production of newsprint paper had dropped to 76.8 per cent of the total, while paperboards accounted for 14.3 per cent, wrapping paper for 3.7 per cent, book and writing paper for 3.1 per cent and tissue and other paper for 2.1 per cent.

EXPORTS OF ALL CLASSES

During the fiscal year 1890 Canada's total exports of all classes of paper and paper products were valued at only \$122. Ten years later they amounted to \$29,741. For the fiscal year 1908 printing paper was for the first time separately reported among Canada's

paper exports and was valued at \$2,833,535. This was largely newsprint paper. In 1910 the exportation of newsprint paper alone had reached a valuation of \$2,612,243. When quantities were first recorded, in 1913, Canada exported 256,661 tons of this paper valued at \$9,980,378.

Table VIII summarizes paper exportation from Canada for the calendar years 1917 to 1943. Owing to the absence of quantity figures for many items and the use of different units of measurement, no total quantity figures are available. For newsprint, however, both quantity and total value are given.

NEWSPRINT EXPORTS

Newsprint exportation increased at a fairly uniform rate up to 1920, with a decrease in 1921 followed by annual increases up to a peak of 2,515,495 tons in 1929. Following this there were

annual decreases from 1930 to 1932 and increases from 1933 to 1937, the production in 1935 establishing a new record, which was surpassed the following year, and again exceeded in 1937, when an all-time high of 3,455,239 tons was reached. There was a sharp decline in 1938 and a partial recovery from 1939 to 1941. In 1942 there was a drop to 3,005,291 tons, followed by a further decline to 2,810,288 tons in 1943.

The value of these exports followed the same trend as the volume until 1933, in which year there was a decrease in value in spite of an increase in tonnage. The record value of newsprint exports remained that of 1929, which had amounted to \$148,865,648, until 1940 and 1941 when it attained \$151,360,196 and \$154,356,543 respectively, although the production in those years was approximately 200,000 tons lower than in 1937.

While the proportion of pulp exported from Canada fell from 66 per cent of the production in 1908 down to the present average of about 30 per cent, the proportion of newsprint exported has remained fairly uniform at about 90 per cent of the total production. From 86·4 per cent in 1917 it reached 94·1 per cent in 1937 and dropped to 92·2 per cent in 1943.

The ratio of newsprint paper exports to total paper exports has likewise remained much the same for the past thirty years. From 91 per cent in 1917 it dropped to 83·9 per cent in 1918 and rose to 96·5 per cent in 1931. In 1943 newsprint accounted for 90 per cent of all exports of paper.

DESTINATIONS OF NEWSPRINT EXPORTS

The distribution of Canada's exports of newsprint paper for the calendar years 1938 to 1943 is given in Table IX.

TABLE VIII
Summary of Paper Exports, 1917 to 1943

	All Paper	Newsprint			
				Ratio to all Paper Exports (value)	Ratio to Production (volume)
		\$	Tons		
1917.....	35,774,636	596,187	32,561,020	91·0	86·4
1918.....	43,661,461	636,533	37,301,269	85·4	86·6
1919.....	59,391,655	708,429	49,811,362	83·9	89·2
1920.....	86,474,010	761,944	72,920,225	84·3	87·0
1921.....	75,510,945	709,241	69,786,317	92·4	88·1
1922.....	74,825,893	959,514	68,362,817	91·4	88·7
1923.....	93,770,957	1,137,962	85,611,258	91·3	90·9
1924.....	99,248,497	1,219,384	90,990,711	91·7	87·8
1925.....	106,624,046	1,401,655	98,945,337	92·8	91·2
1926.....	121,414,513	1,731,986	114,090,595	93·9	91·7
1927.....	129,637,637	1,881,865	123,222,094	95·1	90·4
1928.....	147,156,792	2,206,588	141,103,527	95·9	91·4
1929.....	154,919,122	2,515,495	148,865,648	96·1	92·3
1930.....	138,440,243	2,332,510	133,370,932	96·3	93·4
1931.....	111,114,042	2,008,240	107,233,112	96·5	90·2
1932.....	86,323,539	1,776,764	82,966,169	96·1	92·6
1933.....	72,396,132	1,838,105	69,200,515	95·6	90·9
1934.....	87,208,721	2,414,274	82,503,659	94·6	92·7
1935.....	94,041,591	2,574,987	87,924,251	93·5	93·1
1936.....	110,861,428	2,993,089	103,639,634	93·5	92·8
1937.....	136,164,168	3,455,239	126,466,412	92·9	94·1
1938.....	112,872,776	2,424,655	104,615,042	92·7	90·8
1939.....	124,127,164	2,658,723	115,687,288	93·2	90·8
1940.....	170,879,526	3,242,789	151,360,196	88·6	92·6
1941.....	176,184,025	3,262,012	154,356,543	87·6	92·7
1942.....	157,838,084	3,005,291	141,065,618	89·4	92·3
1943.....	160,825,462	2,810,288	144,707,065	90·0	92·2

TABLE IX

Exports of Newsprint Paper by Countries, 1938-1943

—	1938	1939	1940	1941	1942	1943
	Tons	Tons	Tons	Tons	Tons	Tons
Abyssinia.....						5
Aden.....						44
Alaska.....	56	40	83	93	82	111
Argentina.....	30,689	37,516	87,119	97,984	37,762	44,887
Australia.....	178,120	130,812	164,021	73,398	7,049	22,109
Azores and Madeira.....				14		
Barbados.....	13	86	493	424	111	327
Belgian Congo.....				33	156	134
Belgium.....	1,653					
Bermuda.....	5	92	176	204	94	224
Bolivia.....	72	220	592	947	714	1,285
Brazil.....	23	5,842	33,159	45,862	24,626	42,030
British East Africa.....			81	137	2	274
British Guiana.....	139	90	369	388	506	429
British Honduras.....			28	12	12	12
British India.....	752	2,435	25,034	14,615	7,555	10,540
British South Africa.....	20,017	24,253	34,251	18,739	8,451	6,130
British Sudan.....					28	61
British West Indies, n.e.s.....	12	8	144	90	66	102
Burma.....	460		1,288	1,063		
Ceylon.....		541	1,376	804	1,324	930
Chile.....	1,057	1,685	7,146	7,146	3,541	6,606
China.....		1,296	12,667	20,409		
Colombia.....	136	1,018	3,607	5,109	5,881	3,803
Costa Rica.....		772	602	786	560	407
Cuba.....	7,918	10,372	14,151	18,114	12,541	11,672
Denmark.....	65					
Ecuador.....	3	297	1,052	490	1,537	1,049
Egypt.....		364	4,012	10,300	3,700	4,966
Fiji.....	14	21	31	20	18	24
French Africa.....						120
French East Indies.....				99		
French West Indies.....			66	23		
French Oceania.....					13	
Gold Coast.....			54	56	55	93
Greece.....				1,000		
Guatemala.....		411	489	798	813	1,245
Haiti.....			3	2	60	
Hawaii.....	3,085	3,762	3,818	5,156	4,193	8,019
Hongkong.....	280	989	3,518	6,174		
Honduras.....	42	129	149	320	342	52
Iceland.....			160	392	540	184
Iraq (Mesopotamia).....			189	84	112	277
Ireland (Eire).....	18,948	8,861	8,582	2,988	4,240	4,817
Jamaica.....	1,969	1,174	1,726	2,342	841	1,997
Japan.....	1,769		17	28		
Malta.....				22		129
Mexico.....	94	3,070	29,869	10,016	19,278	9,948
Netherlands.....		20				
Netherlands East Indies.....	1,650	2,023	5,523	4,866	140	
Netherlands Guiana.....				11	20	39
Netherlands West Indies.....		8	74	85	81	175
Newfoundland.....	*	1	4	*	23	
New Zealand.....	35,027	23,172	29,301	11,938	5,244	21,132
Nicaragua.....	8	57	225	220	114	40
Nigeria.....			112	261	249	180
Palestine.....			249	371	513	2,096
Panama.....	765	445	1,226	1,307	2,236	2,453
Paraguay.....		54	28	132	24	
Persia.....		39			560	448
Peru.....	433	1,422	7,908	8,349	4,469	2,947
Philippine Islands.....	2,457	2,413	2,170	2,653		
Portugal.....			3,501	2,755	2,533	2,808
Portuguese Africa.....	67	56	103	101	178	146
Puerto Rico.....	2,285	4,018	2,371	4,003	2,449	2,275
Salvador.....	51	446	854	1,277	664	520
San Domingo.....	33	46	340	329	317	25
Siam.....			463	91		
Sierra Leone.....			3	25	20	23
Southern Rhodesia.....	571	586	741	512	839	36

TABLE IX

Exports of Newsprint Paper by Countries, 1938-1943—Continued

	1938	1939	1940	1941	1942	1943
	Tons	Tons	Tons	Tons	Tons	Tons
Straits Settlements.....	24	573	4,556	3,023	.....	.....
Syria.....					168	279
Trinidad and Tobago.....	419	309	1,216	528	771	959
Turkey.....					20	.....
United Kingdom.....	172,096	176,754	145,109	94,082	35,123	30,427
United States.....	1,938,297	2,206,386	2,586,147	2,762,241	2,792,181	2,544,691
Uruguay.....	1,332	220	6,836	11,136	7,173	11,280
Venezuela.....	1,749	3,519	3,607	4,932	2,370	2,267
Virgin Islands.....				103	.....	.....
Total exports.....	2,424,655	2,658,723	3,242,789	3,262,012	3,005,291	2,810,288
British Empire.....	428,866	370,757	422,463	232,216	73,134	103,095
Foreign countries.....	1,995,789	2,287,966	2,820,326	3,029,796	2,932,157	2,707,193

* Less than one ton.

In 1938, the United States, which has consistently been Canada's best customer for this product, took 79.9 per cent of this country's total exports of newsprint paper. British Empire countries purchased 17.7 per cent, most of this going to Australia and the United Kingdom. Other countries received the remainder, or 2.4 per cent.

Again it is interesting to note which markets were lost during the war and the new customers which Canada supplied during this period. In 1938 Canadian newsprint went to forty-five countries; in 1943 fifty-eight countries purchased this product, and throughout the six-year period Canada's customers numbered seventy-nine.

In 1943 shipments of newsprint to the United States had risen to 90.5 per cent of the total, while those to Empire countries accounted for only 3.7 per cent. Among the other countries receiving the remaining 5.8 per cent were several which had never previously used this Canadian product.

In 1938 Canada occupied first place by a very wide margin among the world's principal producers and exporters of newsprint paper. Before the war Canada's chief competitors were Finland, Newfoundland, Sweden, Norway and Germany, in the order named.

Table X gives the world production of newsprint for 1938 and the average for the five-year period 1934-38, to-

gether with corresponding figures covering exports from the principal exporting countries. This table is based on data compiled by the News Print Service Bureau.

PAPERBOARDS

Paperboards, contributing 2.9 per cent of the total value of paper exports in 1938 and 2.7 per cent in 1943, are next in importance to newsprint. In 1938 paperboards going to the United Kingdom formed over 76 per cent of the total, with the United States taking only 3 per cent. In 1943 purchases by the United Kingdom had declined to 22 per cent, while those by the United States had risen to 62 per cent. About half of the exports to the latter country consisted of pulpwood for making wall-boards.

OTHER PAPERS

Kraft wrapping paper and mutilated newsprint or beater stock each accounted for a little over one per cent of the total paper exports in 1943. Kraft wrapping went chiefly to British South Africa, British India, the United Kingdom, Colombia, New Zealand, and Trinidad and Tobago. All the beater stock was shipped to the United States.

Each of the other classes of paper exported in 1943 forms less than one per cent of the total paper exports. In order of importance they are: book paper, going chiefly to New Zealand and

TABLE X

World Production and Exports of Newsprint Paper by Principal Producing Countries, 1938 and Average 1934-38

	Production		Exports	
	1938	Average 1934-38	1938	Average 1934-38
(Thousands of tons of 2,000 pounds)				
Canada.....	2,625	2,962	2,425	2,772
Great Britain.....	954	980	63	72
United States.....	820	911	6	17
Germany.....	512	494	145	151
Finland.....	457	393	395	358
Japan.....	429	388	45	41
France.....	347	363	.....	.....
Sweden.....	278	287	178	207
Newfoundland.....	268	320	†324	294
Russia.....	234	205	.....	.....
Norway.....	188	187	166	168
Netherlands.....	105	98	8	11
Italy.....	77	71	.....	.....
Austria.....	55 (?)	55	52	49
Czechoslovakia.....	48 (?)	45	†	6
Switzerland.....	46	45	.....	.....
Belgium.....	39	50	.....	.....
Poland.....	37	36	.....	.....
Chile.....	12	7	.....	.....
Latvia.....	9	7	.....	.....
Estonia.....	6	6	.....	.....
Hungary.....	5	2	.....	.....
Bulgaria.....	2	1	.....	.....
Lithuania.....	2	1	.....	.....
Spain.....	(?)	24	.....	.....
Mexico.....		8	.....	.....
Denmark.....		1	.....	.....
Total.....	7,555	7,947	*3,807	4,146

† Year ended June 30.

‡ Not available; approximately 12,000 tons in 1937.

* For countries for which figures are shown.

Australia; pulp and fibre wallboards, to the United Kingdom, the United States, Newfoundland, etc.; wrapping paper other than kraft, to New Zealand, British South Africa and other countries; bags, boxes and cartons of paper, to Trinidad and Tobago, Jamaica, Newfoundland, the United States, etc.; bond and writing paper, to New Zealand, Australia and others; hangings or wallpaper, principally to New Zealand; waste paper other than mutilated newsprint, practically all to the United States; and roofing and building paper (except asbestos roofing), chiefly to Newfoundland.

Other paper and manufactures of paper forming the miscellaneous item went for the greater part to British India, Egypt, the United Kingdom, the United States, Jamaica, Newfoundland, French Africa and British South Africa.

Table XI shows exports of paper other than newsprint for the years 1938 and 1943.

IMPORTS OF PAPER

The importation of paper is relatively unimportant in comparison with exports but is far from being an inconsiderable item. It amounted to \$7,520,328 in 1938 and to \$10,701,736 in 1943, forming about 6.7 per cent of the value of the exports of paper in both years. The United States provided practically all such imports in 1943.

The greater part of the importation is made up of paper, paperboard or paper goods which have been subjected to some special process to fit them for a special purpose or consists of finished products manufactured from paper or paperboard.

Almost every class of paper or paper goods at present imported into Canada is being made in this country or could be made with comparatively little change in the equipment existing in our paper-mills and the plants of our paper-using industries, providing there were sufficient demand to warrant such manufacture.

ferous material, a large part of which is suitable for making into pulpwood. Of this total, 1,082,879,000 cords are at present accessible. The Eastern Provinces, in which the pulp and paper industry is concentrated, account for 803,128,000 cords of this small material and British Columbia is credited with 186,286,000 cords.

TABLE XI

Exports of Paper Other than Newsprint, 1938 and 1943

Paperboards	\$3,318,378	\$4,569,877
Wrapping paper, kraft	756,130	1,844,688
Newsprint paper, mutilated or beater stock	397,858	1,611,686
Book paper	491,834	1,558,247
Pulp and fibre wallboards	1,248,272	1,050,747
Wrapping paper, n.o.p.	520,897	1,017,723
Bags, boxes and cartons of paper.....	190,542	909,309
Bond and writing paper	135,261	714,927
Hangings or wall paper	198,831	232,785
Waste paper, n.o.p.	77,299	162,703
Roofing and building paper (except asbestos roofing)	120,460	157,645
Paper and manufactures of paper, n.o.p.	801,972	2,287,560

Post-war Prospects

The pulp and paper industry has shown during the war that it could maintain its production at a high level in spite of the many difficulties it has had to face—shortage of manpower and resultant scarcity of pulpwood, restrictions on the use of hydro-electric power, rationing of certain of its products, etc. When these handicaps are removed, the industry should be in an excellent position to meet the world demand for pulp and paper.

The present scarcity of manpower to cut pulpwood in the forests should soon disappear after the end of the war. At the same time, the industry will be providing employment to thousands of men now on active service or working in essential war industries.

Canada possesses abundant supplies of the raw material on which this industry depends. The forested area of Canada, estimated at 1,220,405 square miles, is exceeded only by the forests of the Union of Soviet Socialist Republics and of Brazil. The productive forest area alone is given as 770,565 square miles.

According to the latest calculations of the Dominion Forest Service, the total stand of timber in Canada comprises 1,941,076,000 cords of small coni-

If wise policies are adopted to reduce wastage through fires, insects and tree diseases, and to encourage good forest management in general, the Canadian forests can provide the raw material for large-scale production of pulp, paper and related products in perpetuity.

This country's position in the matter of hydro-electric power, which is also essential for the success of the pulp and paper industry, is just as favourable. Available water-power at ordinary minimum flow was estimated at 25,439,000 h.p. as of December, 1943; at that same date, the total turbine installation amounted to only 10,214,513 h.p. The pulp and paper industry is already the largest user of hydro-electric power in Canada; before the war it consumed about 40 per cent of the total for all Canadian manufacturing industries. Should the industry's requirements increase, there are still large sources of power to draw from.

Not only is Canada endowed with tremendous forest reserves and huge hydro-electric resources, it also has a well-organized industry to utilize these riches. The pulp- and paper-mills of Canada are advantageously located across the country, near both Pacific and Atlantic seabords, and conse-

quently are in a position to make economical deliveries to any part of the world. In 1943 these mills had a daily capacity of 7,599 tons of chemical pulp, 13,414 tons of mechanical pulp, 15,465 tons of newsprint and other paper and 1,772 tons of paperboard.

The industry has also acquired for itself a reputation for quality of products and dependability as a source of supply. By meeting the severe test imposed upon it during the war, the Canadian pulp and paper industry has demonstrated its ingenuity, adaptability and reliability.

All these advantages and qualities would be meaningless, however, if the Canadian pulp and paper industry could not dispose of its products. It is essentially an export industry and as such must depend for its existence on

its ability to secure and maintain markets.

For the immediate post-war period, Canada's problem would appear to be not one of demand but one of supply. As restrictions on the use of paper are removed, there will undoubtedly be a steadily increasing demand for newsprint and other papers and boards throughout the world. While pulp may not be required in such large volume for explosives and other war purposes, more of it can be transformed into paper. Besides, wood-cellulose is the cheapest known product and is so versatile that it should be in great demand for a wide variety of peace-time uses.

During this period, however, Canada will have to prepare for the resumption of competition for the markets of the world which is bound to follow.

MARKET IN IRELAND FOR ELECTRIC WASHING-MACHINES

By E. L. McCOLL, *Canadian Trade Commissioner at Dublin*

The sale of electric washing-machines in Ireland has developed rapidly from 1938 to 1940 as realization of their usefulness grew. Up to that period an uphill struggle had been maintained by a number of businessmen to popularize the use of such equipment in Irish homes. Slow progress was made, however, in face of facilities offered by local laundries throughout the principal cities and towns. Another factor which militated against sales was the fact that domestic labour is reasonably cheap and plentiful in Ireland, so that a substantial percentage of the less heavy articles are washed at home.

Laundry Prices

Generally speaking, local laundries are well equipped and offer good service, the principal ones having collection and delivery vans and branch offices at convenient city centres. Customers may avail themselves of three services: (a) bag wash; (b) emergency service; and (c) full rate. Laundry

costs are exemplified by the appropriate rates: bag wash, 10 pounds for 3s. 3d. (articles washed and ironed but not starched); emergency service, half the full rate (articles washed and ironed but not starched); full rates for some typical items are as follows: sheets, 6d. each; pillow-cases, 2½d. plain, 3½d. fancy; tablecloths, 6d. for 2½ square yards plus ½d. each additional square yard; blankets, 1s. 9d. single, 3s. 6d. double; quilts, 1s. 6d. each; shirts, 6½d. each; shirts with collar attached, 8d.; stiff collars, 2d. each; semi-stiff collars, 1½d. each; lace curtains, 1s. 9d. per pair; socks, 2d. per pair; handkerchiefs, 1½d. each.

Since the outbreak of war more use has been made of laundries than formerly because of the acute shortage of fuel and the scarcity of and restriction on the purchase of soaps and washing-powders. The laundries were also confronted with these difficulties, but solved them to a great extent by adapting their equipment and processes to a reduced supply, and a new type, of fuel.

Sales Campaign

The normal endeavours of the hardware stores to foster and stimulate the sale in this territory of electric washing-machines were seconded by the government-controlled Electricity Supply Board. This body, in its effort to increase the sale of electric current, carried out an intensive campaign through its chain of showrooms—located in all principal towns and cities throughout the country—to promote sales of washing-machines. Demonstrators were in attendance, replacement parts were stocked, and provision was made for sales on the hire-purchase basis. The Board adopted the practice of delivering machines, accompanied by a demonstrator, to nearby localities for display purposes. After a sale had been made, periodic visits were paid by the instructor to give advice and see that the best results were being obtained. This service is free and is of considerable advantage to the purchaser. The knowledge that parts are readily obtainable from nearby stock is additional assurance. In view of the rapid and ever-increasing demand for current, the two major generating stations are now consider-

generating plants, so as to eliminate danger from shortage of fuel, etc., and later to extend energy to rural areas heretofore without this advantage.

Prices and Imports

In the pre-war period some Canadian and British washing-machines were sold in this market, but the chief supplier was the United States. The retail price of a domestic washing-machine (complete with wringer) of thirteen gallons capacity was around £12 up to 1939; in 1940 it increased to £16 16s. Since 1940 no new machines have been available, and local stocks are completely exhausted. If a supply of machines could be obtained, it is estimated that annual sales in this market would approximate 4,000. There is no restriction on the importation of these goods into Ireland.

There is also a demand for heavy laundry equipment, but this varies in kind in proportion to the needs of institutions and communities of different sizes.

According to the latest available trade statistics, imports of washing-machines into Ireland in 1937 and 1938 were as follows:

Imports of Washing-machines into Ireland

	1937 Cwt.	1938 Cwt.	1937 £	1938 £
Electric washing-machines, domestic—				
Great Britain	66	53	368	515
United States	1,189	614	7,226	4,443
Other countries	5	33	30	323
Total	1,260	700	7,624	5,281
Electric washing-machines, other sorts—				
Great Britain	552	1,185	3,113	6,159
Germany	34	137	641	1,794
Other countries	13	30	62	321
Total	599	1,352	3,816	8,274

ably overtaxed. The total units produced in 1942 were: water-generated, 240 million; fuel-generated, 210 million. Roughly speaking, half of the output had to be produced from imported coal and, if supplies of this fuel were to decrease, or the difficulties of obtaining it to increase, the situation would be aggravated.

Therefore the Government is preparing now to supplement the existing

Voltage Supply and Cost

The current supplied is chiefly 220 volts, a.c., single-phase, 50 cycles.

In order to stimulate the use of electrical equipment, a special domestic rate of approximately 3d. per unit applies to electric washing-machines. At this reduced charge the laundry for a family of four to six people could be done, exclusive of ironing, for a few pence per week.

Post-War Market Prospects

Up to the present, shipping and exchange conditions have been the principal handicaps to trade with this country. But the implementation of the Government's extensive housing scheme, together with the great increase in the supply of electrical energy pro-

jected by the Electricity Supply Board, should provide a worthwhile opportunity for suppliers of electrical washing-machines. Canadian manufacturers of these goods are invited to send to this office illustrations and prices of their lines, when every effort will be made to secure representation for them in this market.

TREND OF RETAIL PROFITS IN AUSTRALIA

By K. F. NOBLE, *Acting Canadian Trade Commissioner at Sydney*

During the latter half of 1941, 1942 and much of 1943, retail trade trends in Australia justified predictions of a general decline in profit rates, but signs of returning strength and gathering prosperity have been increasingly evident since 1943.

Of fifteen important retail companies which have recently published accounts, all but three have shown increased net profits (after taxation) and four have been able to increase their dividends. Profit margins are still subject to the control of the Prices Commissioner. Stock shortages remain serious, especially in the case of firms which previously specialized in imported goods. In many instances, therefore, turnover has been unavoidably reduced, despite attempts to increase both the value of stocks held and the range of types and qualities of merchandise.

A few of these retail companies have been able to increase the monetary value (though not necessarily the physical quantity) of their stocks, but the increase is in no case great. Of the fifteen companies, only eight showed any increase in stock values at their latest balancing date. Two of the companies with increased stock values showed decreased net profits, while seven with increased profits reported that their stocks were still declining.

A factor recurring in the accounts of many of the retail companies showing increased net profits is decreased operating costs, as well as declining outgo, both controllable and uncontrollable. The nature of savings in these directions varies greatly.

One important company, with an exceptionally large proportion of wealthy customers, has economized by reducing services to the public. Several companies made smaller taxation provisions in 1943-44 than they had in the preceding year, while in some other cases excess taxation provisions in earlier years were written back to the betterment of the current year's profits. One company states that it has been able to decrease its depreciation allowance in plant, fixtures and fittings, while at least four companies had the benefit of decreased interest charges, because long-standing liabilities had been substantially decreased through funds released by falling stocks and book debts. Increased investment income was the main factor in raising the profits of one of the companies whose accounts were examined.

It is noticeable that a diversity of factors have contributed to increases in net profits, where these have taken place. While several firms may share the same trend, other firms, even trading in the same state, report exactly contrary conditions. For example, while one Sydney company and one Melbourne company claimed that increased profits reflected reduced operating expenses, another Melbourne company blamed rising operating expenses for the decrease of its profits.

Some evidence in support of the view that costs may tend to decline generally, while net sales are increasing or declining only very slightly, is to be found in figures prepared by the Retail Traders' Association Research Bureau

and the Commonwealth Bank in respect of leading Sydney stores. These figures reveal the following percentages of increase or decrease in comparison with the corresponding figure of one year earlier:—

	Net Sales Value	Wages and Salaries
	Per Cent	Per Cent
1944		
April	— 8.8	—6.6
May	+ 0.7	—0.8
June	+ 2.7	—2.2
July	+ 3.8	—3.6
August	+11.8	+2.4
September	+ 3.7	—1.5

These figures refer to only a small proportion of total retail trade costs; there is some evidence in them of a tendency of sales values to rise more rapidly than wages and salaries. Advantages accruing to any particular firm from this factor, however, might easily be offset by increases in other costs. It is significant, however, that turnover is not at present the paramount factor in determining the level of retail trade profits.

Company net profits reported during 1944 show a further upward trend.

Dividends also were higher, but to a less extent.

Aggregate profits over a wide range were equivalent to 6.2 per cent of shareholders' funds in 1944 as compared with 6 per cent in 1943. The corresponding dividends represent 5 per cent against 4.9 per cent. Profits in 1944 practically regained the level of three years earlier. Indications are that tax provision was at least as heavy as in 1941-42 and that profits before tax reached the highest levels of recent years.

The Commonwealth Bank Bulletin, reporting on the trading results of 92 companies, with aggregate shareholders' funds of £78.2 million, has come to the foregoing conclusion. The companies have disclosed profits before taxation of 13.2 per cent in 1943-44 as compared with 11.9 per cent in each of the two preceding years. Provision for taxes reduced this figure to 6.4 per cent in 1943-44 as compared with 5.8 per cent in 1942-43 and 5.2 per cent in 1941-42.

CONDITIONS IN SOUTHERN CALIFORNIA IN 1944

By T. J. MONTY, *Acting Canadian Trade Commissioner at Los Angeles*

Wartime expansion of economic activity in Southern California continued at a high level during 1944. The total output of war plants, especially aircraft and ship production and repair work, was maintained at capacity during the year. Employment, income and trade volume remained high, and farm prosperity was maintained, the only line of local activity showing contraction being residential building.

The pressing demand for maximum war production has postponed the return to increased civilian manufacturing. Postponement of reconversion plans, however, has not altered the outlook for manufacturing activities in this area as much as in many other industrial centres, and the head start which it was formerly thought eastern manufacturers would have over local firms in converting to civilian produc-

tion has been reduced considerably by such postponement.

Employment

According to labour statistics for the year ended November, 1944, the number of industrial wage-earners in Los Angeles County declined by 76,600, one-third of whom were women. This, however, did not mean comparable contraction in production, owing to increased efficiency permitting maximum output with fewer workers.

Income

Large war-industry payrolls, record farm incomes, and increased population raised total income received by residents of the 14 southern counties of the State of California to more than \$7,500,000,000 in 1944. This is roughly

10 per cent more than in 1943, and far more than double the pre-war total.

Retail Trade

This expanded income has produced a record volume of retail trade. Dollar sales of department stores in the Los Angeles area during the past year were 9 per cent higher than in 1943, and 73 per cent above the 1940 total. Rough estimates indicate, however, that inventories are now 10 to 15 per cent below a year ago, and are at the lowest level since 1942. This contraction in retailers' supplies and announced restrictions affecting the production of types of clothing may affect retail trade during the current year.

Savings

The high level of income during 1944, besides leading to unprecedented spending, has created a large volume of local savings. Three series of bond sales amounted to \$705,000,000. In addition, savings deposits of banks in Southern California rose by more than \$300,000,000. This indicates accumulated purchasing power for civilian goods when available.

Building and Real Estate

Construction of most of the war housing programmed to date for Los Angeles County has been completed. The volume of new housing construction has dropped in recent months to the lowest level since early 1943, the wartime low point. In favourable contrast, however, plans have been announced for the Los Angeles-Long Beach harbour area, calling for construction expenditures during 1945 of \$44,000,000. Such military, industrial

and non-residential building is not likely to approach, however, the levels of the early war period, when construction of war plants, army cantonments, etc., was at a peak.

Real estate activity has been at comparatively high levels throughout 1944. An average of more than 15,000 deeds per month has been filed in Los Angeles County. This compares with a monthly volume of less than 6,000 early in 1942. The prices of moderately priced houses are continuing to rise and now average more than 60 per cent above pre-war levels.

Industrial Development

The amount of new capital invested in Los Angeles area industrial plant facilities during 1944 dropped to approximately one-fourth as much as in the record year of 1943. However, the total 1944 investment was well above the eleven-year pre-war average. Moreover, the pattern of investment during the past year returned to one of small investments in many plants, rather than of few investments in large plants that characterized previous war years. The outlook for 1945 is for further reduction in total new plant investment, with only moderate expansions in existing facilities; no large new enterprises are in immediate prospect nor for the duration. However, eastern firms are known to have purchased Los Angeles manufacturing plants as well as land sites for future factory investment and development.

Prior to the war many branch plants had been established in the West, and the trend was toward an increasing number. Most of these plants, however, were producers of consumer goods, i.e., automobiles, tires, clothing, etc. The raw materials and component parts

New Investment in Industrial Plants in Los Angeles County

	New Enterprises	Expansion of Existing Enterprises Millions of Dollars	Total Invested
1929-39 annual average	\$ 6.7	\$ 11.3	\$ 18.0
1940	4.4	38.3	42.7
1941	38.6	51.8	90.4
1942	63.0	36.3	99.3
1943	21.9	140.1	162.0
1944	7.4	34.4	41.8

Source: The Los Angeles Chamber of Commerce.

needed by these concerns came largely from eastern plants.

Eastern manufacturers of these (producer) goods preferred to service their western customers through sales agencies or branch offices, rather than through branch plants. In general, such preferences were based on three main factors: (1) the market in this region for producer goods was not large enough to justify branch plants investment; (2) in some lines there were no competing western plants and, therefore, no pressure to locate near western markets in order to give quick delivery and service; and (3) the makers of producer goods themselves had to look elsewhere for their raw material and other supplies.

The West's war-stimulated development, however, has gone far to change

these conditions. Recent population gains in the western states have increased what was estimated to be 13 per cent of the nation's market for consumer goods, and this in turn means larger markets for producer goods. Furthermore, war production has given western firms for the first time the equipment and experience to turn out such producer goods in volume. The California garment industry can be cited as an example. This industry shows every indication of becoming an important factor in national as well as western markets, especially in certain lines of sportswear. While the garment industry is not necessarily representative of all manufacturing industries, much the same pattern of growth may be expected in a wide variety of manufacturing industries in Southern California in future years.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

NEW SOUTH WALES REAL ESTATE

At the end of 1944, more inquiries were being made by industrial and commercial firms for new, or additional, premises where they intend to extend their businesses after the end of the war.

Recorded transactions totalled £2,276,172, compared with £2,716,298 for 1943, £2,217,441 for 1942, £8,315,519 for 1941, and £5,582,437 for 1939.

DEHYDRATION OF VEGETABLES

Dehydration plants in Australia are now handling 67,000 tons of vegetables annually for reduction to 10,000 tons of dried vegetables.

For the first half of 1944 dehydration production amounted to 4,141,000 pounds of dried vegetables from 22,580,000 pounds of fresh vegetables. This was made up as follows: dried potatoes, 2,007,000 lb. from 14,334,000 lb. of fresh potatoes; dried carrots, 992,000 lb. (14,465,000 lb.); dried cabbage, 650,000 lb. (16,678,000 lb.); onions, 270,000 lb. (2,957,000 lb.);

beetroot, 70,000 lb. (876,400 lb.); parsnips, 152,000 lb. (1,269,000 lb.).

Vegetable processing in Australia has reached a volume about 35 times as great as it was before the war, and 33 plants are now operating. During the last season 100,000,000 pounds of vegetables were canned and 66,900,000 pounds of tomatoes pulped as compared with 10,200,000 pounds of all canned vegetables before the war. At present vegetable processing is absorbing about 160,000 tons of Australia's annual production.

TOBACCO PRODUCTION

Steps are being taken to place the Australian tobacco industry in a position to meet all domestic requirements, with a margin for export to Pacific Islands.

The Council for Scientific and Industrial Research has reported that almost every type of leaf can be produced in Australia and preliminary plans are being drawn up for the irrigation of tobacco-growing areas.

Pre-war local production of tobacco was about 5,000,000 pounds annually

and annual consumption in excess of 20,000,000 pounds. The present intention is for an annual production target of 25,000,000 pounds.

Australian growers maintain that a minimum average return of 3s. per pound is necessary, and a committee has been formed to investigate the question of economic costs and to formulate proposals for stabilization of the industry.

Russia

RE-PLANNING SOVIET CITIES

More than 1,000 architects are working on government-approved projects

for re-planning Soviet cities, the Soviet News Agency reports. New cities as well as war-shattered ones are subject to their designs. Ninety new cities are being built in the Soviet Union alone, thirty are planned for the Ukraine, four for the Moldavian Republic and ten for Lithuania, Latvia and Estonia.

The Mayor of Moscow is reported as stating that work on the reconstruction of the Soviet capital would be resumed, transport service would be extended, and the fourth section of the Moscow underground—12 miles long—would be completed during the present year.

AGENCY APPOINTMENTS IN FOREIGN MARKETS

Since the beginning of the war, it has been the policy of the Department of Trade and Commerce to assist Canadian manufacturers and exporters in maintaining at least token shipments of goods to their traditional markets so far as this was consistent with the full prosecution of the war. In many instances the shortage of essential materials required for the war effort seriously interfered with this policy, and exports were prohibited altogether or permitted only when high essentiality could be proved. This has obviously resulted in many Canadian exporters losing contact with their overseas agents.

Most goods and materials are still in very short supply but, with the approaching conclusion of the war in Europe, these shortages will tend to disappear. This will make available larger supplies of goods, not only for the domestic market but for the fulfilment of commitments made to overseas countries, including liberated areas. Some quantities will also become available for the re-establishment of normal export trade to traditional and new export markets.

Canadian exporters are, therefore, urged to give careful consideration now to re-establishing their foreign connections and to the appointment of overseas agents. In recent reports Trade Commissioners have advised that many Canadian exporters are apparently loath to take any active steps at this time to appoint sales agents in overseas markets, probably because of the impossibility under present conditions of exporting their products. Notwithstanding the present supply position, however, manufacturers and exporters should, wherever possible, make their overseas sales arrangements pending the time when the exportation of their particular goods will be permitted. Exporters are therefore encouraged to avail themselves of the services of Trade Commissioners in making suitable arrangements for their post-war export sales in overseas countries. Requests for assistance should be addressed either to the Commercial Intelligence Service, Ottawa, or direct to Canadian Trade Commissioners.

RESUMPTION OF TRADE WITH FRANCE, FRENCH NORTH AFRICA and FRENCH WEST AFRICA

France

There is no immediate prospect of the resumption of private trade with France, according to information received in the Department of Trade and Commerce. All purchases continue to be made through the French Supply Mission at Ottawa.

French North Africa and French West Africa

No private trade exists at present with these French Colonies. Before

trade can return to normal commercial channels, a number of difficulties will have to be dealt with, such as the provision of dollars and the adoption of a method of payment, the setting up of import-licence machinery, the provision of inland transportation facilities for necessary business travel, and the establishment by the French, in the light of current supply conditions, of a list of commodities to be handled by private trade.

MAIL SERVICE TO FRANCE, BELGIUM, FINLAND AND ROUMANIA

The Post Office Department has issued the following notices respecting mail services to France, Belgium, Finland, and Roumania.

France

Mail service to France has now been extended to permit the mailing of packets containing printed matter, including newspapers and periodicals, up to a maximum weight of one pound, to the liberated areas of Continental France, to which letter service is at present available.

As regards printed matter, the service is restricted to: (1) newspapers and periodicals mailed direct by the publisher to another publisher, agent, or subscriber in France; and (2) other classes of printed matter mailed direct by the publisher or commercial firm.

It should be especially observed that this relaxation applies to such matter mailed by the publisher only. The mailing by the public to France of printed matter, including newspapers or periodicals, is prohibited.

Belgium

Authority has been given by the Secretary of State of Canada for the transmission of food, toilet articles and drugs by mail to Belgium in packages prepaid at letter rate of postage.

Until further notice the following conditions will govern the acceptance of such packages for transmission by post: (1) the total weight of a package must not exceed 4 pounds 6 ounces; (2) the total value of the contents of a package must not exceed \$25.

The sending of packages is limited to private citizens and must not be undertaken by relief organizations and others. No one sender may send more than two packages per week, each of which must be to different addressees. The naming of addressees other than known ultimate addressees for the purpose of evading the limitations of the service is prohibited. The packages are restricted to gifts and must not include commercial shipments. For the time being, the contents are to be limited to food, toilet articles, and drugs and are subject to any Belgian regulations restricting the importation of certain commodities.

The rate of postage is 5 cents for the first ounce and 3 cents for each subsequent ounce or fraction thereof. The weight limit of 4 pounds 6 ounces will also apply to the transmission of written communications and related papers of a bulky nature. The restriction on business communications to those ascertaining facts and exchanging information is still in force. Illustrated postcards are not admissible. Registration service is now available.

Finland

In connection with the resumption of mail service to Finland, a considerable number of short-paid items addressed to Finland have been observed in the mails, prepaid only 5, 6, 7 and 8 cents, respectively, instead of 10 cents, the present rate, necessitating the imposition of a surcharge in each case, with resultant inconvenience both to the Canadian Postal Service and to the addressees.

The following postage rates will apply, until further notice, for private and business correspondence despatched from Canada to Finland: letters, 10 cents each ounce or fraction thereof; postcards, 10 cents each.

Roumania

The mail service for private and business correspondence between Can-

ada and Roumania has been resumed. Letters and non-illustrated postcards up to a maximum weight limit of 2 ounces may now be accepted for Roumania. Business letters will be restricted until further notice to those ascertaining facts and exchanging information. No actual trading is permitted. No air mail, money order or parcel post service is yet available, but registration facilities may be utilized.

The postage rates in effect before the service was suspended will apply, i.e.: letters, 5 cents for the first ounce and 3 cents for each additional ounce; postcards, 3 cents each.

Attention is directed to the notice concerning Roumania in the announcement by the Secretary of State under the heading "Revised Regulations Respecting Trading with the Enemy (1943)", which follows.

REVISED REGULATIONS RESPECTING TRADING WITH THE ENEMY

Notice *re* Roumania

The Secretary of State of Canada, under and by virtue of the provisions of the Revised Regulations Respecting Trading with the Enemy (1943), gives notice with respect to liberated areas in Roumania that, if and when communication services are officially re-opened by the respective Canadian authorities, persons residing in Canada may communicate with and receive communications from persons residing in such liberated areas with respect to personal, business, financial and com-

mercial matters, but no actual trading shall take place, the purpose of this permission being merely to re-establish business contacts and exchange information. Banks and other financial institutions may reply to requests for information from their depositors, and documents such as birth, death and marriage certificates, wills and other legal notices may be transmitted, but no action shall be taken to transmit any powers of attorney, proxies, payment orders, or other legal documents without special permission from the Custodian.

TRADE REGULATIONS AND TARIFF CHANGES

Dominican Republic

ADDITIONAL TAX ON IMPORTS

A law of the Dominican Republic of January 17, 1945, provides for levying an additional tax, to be known as "Tax on Documents—Special Fund", of 3 per cent of the value of the goods

imported. The tax is to be collected by the Customs of the Republic at the same time as other duties and taxes. The revenue from the tax is to be used for social aid and welfare and for port works and dredging of ports. Books, magazines, periodicals and other publications are exempt from the tax.

United States

DUTY-FREE QUOTA FOR RED CEDAR SHINGLES

In accordance with a United States Act of July 1, 1940, providing for the exercise of the right with respect to red cedar shingles that is reserved in the Canada-United States trade agreement

of November 17, 1938, a Treasury Decision (51201) was published on March 22 announcing that the quantity of red cedar shingles entitled to exemption during the calendar year 1945 from the duty of 25 cents per square imposed by the Act of 1940 is 1,727,242 squares. The 1944 quota was 2,153,984 squares.

CANADA'S EXTERNAL TRADE IN FEBRUARY

The external trade of Canada, excluding gold, in February was valued at \$352,736,000 as compared with \$367,638,000 for February, 1944, a reduction of 4·1 per cent. For the first two months of the current year the value was \$716,282,000 as against \$739,996,000 in the similar period of 1944, a decline of 3·2 per cent.

Domestic merchandise exports in February were valued at \$236,364,000 as compared with \$227,168,000 in February of last year, an advance of 4 per cent. The total for January and February was \$466,862,000 as against \$469,180,000 for the corresponding period of 1944, a decline of one-half of 1 per cent. (A summary and tabular statement on Canada's exports in February was published in *Commercial Intelligence Journal* No. 2147, March 24, 1945.)

Imports

Merchandise imports into Canada in February were valued at \$112,373,000 as compared with \$138,370,000 in February, 1944, a decrease of 18·8 per cent. For the first two months of the current year the aggregate value was \$242,058,000 as against \$264,739,000 for the comparable period of 1944, a reduction of 8·6 per cent.

The United States was the principal source of supply in February, accounting for a total of \$92,805,000 as compared with \$115,773,000 for the corre-

sponding month of last year, a decline of 19·8 per cent. The United Kingdom was in second position with a total of \$6,741,000 as against \$6,698,000, an advance of 0·6 per cent.

Imports from other leading countries in February were as follows, totals for February, 1944, being shown within parentheses: British West Africa, \$1,290,000 (\$165,000); British India, \$1,363,000 (\$2,468,000); Mexico, \$1,065,000 (\$1,012,000); Venezuela, \$1,086,000 (\$903,000); British South Africa, \$594,000 (\$232,000); British Guiana, \$569,000 (\$584,000); Barbados, \$685,000 (\$509,000); Fiji, \$638,000 (\$169,000); Colombia, \$537,000 (\$437,000); Cuba, \$642,000 (\$698,000).

The following were among the principal commodities imported in February, with totals for February, 1944, shown within parentheses: fruits, \$3,830,000 (\$3,985,000); vegetables, \$1,392,000 (\$1,523,000); furs, \$1,942,000 (\$1,306,000); cotton and products, \$6,970,000 (\$6,157,000); wool and products, \$2,287,000 (\$3,086,000); rolling-mill products, \$3,670,000 (\$3,387,000); engines and boilers, \$2,369,000 (\$4,410,000); farm implements, \$2,935,000 (\$2,683,000); machinery, except agricultural, \$5,268,000 (\$6,700,000); vehicles, \$7,941,000 (\$9,632,000); electrical apparatus, \$3,278,000 (\$4,323,000); coal, \$6,810,000 (\$8,280,000); petroleum products, \$5,130,000 (\$5,972,000); chemicals, \$5,336,000 (\$6,148,000).

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's

imports (excluding gold) by principal countries and commodities for the month of February and the two months ending February, 1945 and 1944:—

Imports by Principal Countries

	Month of February		Two months ended February	
	1945	1944	1945	1944
	Thousands of Dollars			
All countries	112,373	138,370	242,058	264,739
Empire countries	13,622	15,706	35,051	30,937
British East Africa	29	53	220	163
British South Africa	594	232	955	903
Southern Rhodesia	99	1	104	84
British West Africa	1,290	165	1,941	186
Bermuda	1	2	4	3
British India	1,363	2,468	7,416	4,684
Ceylon	4	465	1,468	746
British Guiana	569	584	1,033	1,121
Barbados	685	509	815	1,316
Jamaica	211	1,327	957	2,135
Trinidad and Tobago	317	30	469	45
British West Indies, other	96	84	291	466
Newfoundland	359	373	792	863
Australia	467	632	969	1,326
Fiji	638	169	638	668
New Zealand	81	1,482	676	1,772
United Kingdom	6,741	6,698	16,133	13,762
Foreign countries	98,751	122,664	207,007	233,802
United States	92,805	115,773	194,621	222,051
Argentina	447	1,134	1,173	1,675
Bolivia .....	...	9	5	9
Brazil	295	943	546	1,370
Chile	36	19	81	41
Colombia	537	437	1,378	1,120
Costa Rica	36	17	61	30
Cuba	642	698	1,064	869
Ecuador	137	10	308	11
Egypt	58	3	83	23
Guatemala	95	496	123	608
Haiti	48	28	64	252
Honduras	382	65	790	111
Mexico	1,065	1,012	1,797	2,060
Netherlands Guiana .....	...	...	...	145
Netherlands West Indies	149	127	149	232
Paraguay	12	23	22	34
Peru	7	19	12	26
Portugal	65	156	154	241
Salvador .....	...	322	89	326
San Domingo	280	4	815	4
Spain	163	83	421	153
Sweden .....	...	...	...	12
Switzerland	100	179	306	709
Alaska	8	1	14	9
Puerto Rico .....	...	...	10	...
Uruguay	1	...	16	...
Venezuela	1,086	903	2,046	1,418

Imports by Principal Commodities

	Month of February		Two months ended February	
	1945	1944	1945	1944
	Thousands of Dollars			
Total imports	112,373	138,370	242,058	264,739
Agricultural products	14,816	18,047	34,017	32,414
Fruits	3,830	3,985	8,629	6,936
Nuts	771	1,206	1,500	2,067
Vegetables	1,392	1,523	2,866	2,734
Grains and products	794	1,518	1,379	2,329
Oils, vegetable	676	1,134	1,676	1,873
Cocoa and chocolate	737	593	827	730
Coffee and chicory	73	1,078	313	1,549
Spices	47	91	90	126
Tea	689	1,804	5,000	3,367

Imports by Principal Commodities—Con.

	Month of February		Two months ended February	
	1945	1944	1945	1944
Agricultural products— <i>Con.</i>			Thousands of Dollars	
Alcoholic beverages	433	397	1,129	787
Gums and resins	506	413	959	740
Seeds	284	198	634	513
Tobacco	192	143	363	251
Animal products	3,251	3,289	7,092	6,787
Fishery products	193	240	340	406
Furs (chiefly raw)	1,942	1,306	4,015	3,185
Hides, raw	144	556	654	875
Leather, unmanufactured	193	187	419	442
Leather, manufactured	195	199	461	353
Meats	20	33	159	85
Fibres and textiles	13,201	13,552	29,885	26,612
Cotton (total)	6,970	6,157	14,425	12,015
Raw, and linters	3,011	2,770	6,341	5,821
Yarn	313	541	851	1,076
Fabrics	3,097	2,588	6,168	4,576
Flax, hemp and jute	593	1,245	3,178	2,244
Fabrics, flax and hemp	55	94	124	202
Fabrics, of jute	202	739	2,280	1,141
Silk	160	84	306	239
Fabrics	158	82	302	236
Wool	2,287	3,086	5,655	5,909
Raw wool	537	1,365	1,480	1,909
Noils and tops	154	301	433	781
Yarn	380	195	1,118	394
Worsteds and serges	296	642	966	1,471
Wood and paper	3,165	3,473	6,760	6,763
Wood, unmanufactured	338	453	776	875
Planks and boards	231	166	519	387
Wood, manufactured	537	563	1,193	1,054
Paper	915	970	1,899	1,938
Books and printed matter	1,375	1,487	2,891	2,896
Iron and products	27,923	39,013	60,511	71,637
Pigs, ingots, blooms and billets	205	173	444	230
Castings and forgings	832	585	1,554	1,263
Rolling-mill products	3,670	3,387	7,203	7,145
Pipes and tubes	428	477	894	1,049
Engines and boilers	2,369	4,410	5,542	7,426
Farm implements	2,935	2,683	7,250	5,349
Hardware and cutlery	272	344	619	683
Machinery (except agricultural)	5,268	6,700	11,401	14,296
Stamped and coated products	135	110	256	211
Tools	614	815	1,260	1,712
Vehicles	7,941	9,632	16,949	17,327
Non-ferrous metals	7,094	8,151	15,101	17,879
Precious metals	87	125	194	226
Clocks and watches	172	227	430	765
Electrical apparatus	3,278	4,323	7,254	9,054
Non-metallic minerals	15,703	18,341	31,763	36,682
Clay products	767	896	1,798	1,897
Coal	6,810	8,280	13,677	16,436
Coke	459	654	925	1,470
Glass and glassware	1,046	973	2,209	1,975
Petroleum products	5,130	5,972	10,060	11,815
Stone and products	612	829	1,348	1,544
Chemicals	5,336	6,148	11,482	12,181
Acids	253	265	486	472
Cellulose products	399	396	789	746
Drugs and medicines	501	608	1,360	1,371
Dyeing and tanning materials	614	482	1,070	946
Fertilizers	245	364	463	654
Paints and varnishes	541	595	1,191	1,160
Inorganic chemicals	651	803	1,426	1,757
Soda compounds	259	372	573	710
*Miscellaneous commodities	21,884	28,355	45,448	53,785
Amusement and sporting goods	214	144	401	293
Personal and household equipment	556	336	1,169	674
Refrigerators and parts	19	8	42	17
Musical instruments	53	38	104	69
Scientific equipment	688	640	1,466	1,372
Vehicles, n.o.p. (except iron)	2,093	5,758	4,537	10,826

*Includes certain military stores.

SUBSCRIPTION RATES

The *Commercial Intelligence Journal* is published in English and French and is issued every Saturday by the Department of Trade and Commerce.

Subscription prices for either edition are: \$1 per annum in Canada, single copies 5 cents each; \$3.50 per annum outside Canada, single copies 10 cents each.

Subscription orders should be addressed to the King's Printer, Government Printing Bureau, Ottawa, and remittances may be made by post office or express orders, or by drafts or cheques, payable at par in Ottawa.

Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 2, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 2, 1945, and for the week ending Monday, March 26, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Mar. 26	Nominal Quotations in Montreal Week ending April 2	Official Bank Rate
Great Britain	Pound	4.866			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985			4
Jamaica	Pound	4.866			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138			
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2770	.2757	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0575	.0575	—
British Guiana	Dollar	1.0138			
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733			4
Venezuela	Bolivar	.1930			—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.6016	.6016	—
South Africa	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India	Rupee	.3650			
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—
Census of Canada.

Statistical bulletins respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1945. (Price 25 cents.)

Canada Year Book. (Price \$2.) (Out of print.)

Trade of Canada, External: Annual Report, Calendar Year: Part I, Summary and Analyses; Part II, Exports; Part III, Imports.. (Price \$2 each part.)

Trade, Internal: Prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1.00 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). **Weekly** (Price \$1 per annum).

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address,*

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VEHSLER, Commercial Attaché, Canadian Embassy. Address for letters—Casilla 771 Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy, 62 rue du Faubourg Saint Honoré, Paris. *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo da la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

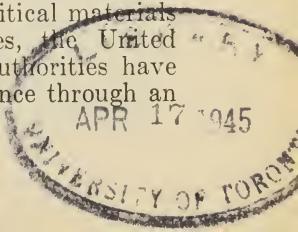
	Page
Post-war Markets in Latin America..	309
United Kingdom Fish Production....	316
British Export Trade Research Or- ganization	318
Indian Market for Toilet Articles and Preparations	319
Economic Conditions on the West Coast of the United States in 1944..	321
World Wheat Situation	326
Economic, Trade and Production Notes	327
Trade Regulations and Tariff Changes: Belgian Congo: Imports Restricted	329
Canada: Export Permit Regulations Amended	329
Trading with the Enemy: List of Specified Persons	329
Foreign Exchange Quotations	330
Commercial Intelligence Service....	331

POST-WAR MARKETS IN LATIN AMERICA

By H. W. BRIGHTON, *Director, Export Section, Shipping Priorities Committee*

Before the war Canada's exports to Latin America constituted only a small part of Canadian exports to all countries, accounting for about 2·25 per cent. The combined population of the republics is 130,000,000, and in 1938 their aggregate imports were valued at approximately \$1,430,000,000. Canadian exports to this group of countries in 1938 totalled \$19,628,328. To-day, however, there is a healthy sign that this share will increase. Canadian manufacturers are showing a greater interest in Latin American countries, and South Americans are showing a greater interest in Canada and the possibilities of obtaining needed merchandise from the Dominion.

For economic and political reasons the two continents of North and South America have been drawn closer together as a result of the present war than they ever were before. Due to the cessation of supplies from the enemy countries Germany and Japan, from which Latin America drew heavily, and the decline in imports from the United Kingdom and other European countries, Latin American countries have become increasingly dependent on North America for materials and finished goods to keep their economies functioning. Despite increasing shortages of critical materials and shipping difficulties, the United States and Canadian authorities have recognized this dependence through an



allocation program designed to meet the minimum requirements of an essential nature within limitations imposed by the existing supply position.

If the productive power of Canada is to be kept operating near its present level, the consuming power of the people must be maintained, if not increased, and to do this Canada must increase her exports. Latin America is one of the nearest areas for Canadian export expansion. The various countries have favourable trade balances and purchasing power, which means new business for Canadian exporters who are prepared to take advantage of the opportunity thus afforded.

There is a large demand for many of the products which Canada can supply in normal times. Missions and individuals from Latin America are seeking sources of supplies now, especially of industrial and transportation equipment, for the earliest possible delivery, and many other items. There will be difficulty in making early deliveries, and all cannot be supplied as soon as they would wish. A reasonable balance must be reached between European reconstruction needs and the replacement and development requirements of Latin America. Nevertheless, while there will surely be many instances where Canadian suppliers cannot accept immediate business, there will be many more where they can, provided they are seriously interested in establishing export connections and willing to devote the care and attention to them that they give to the domestic market.

Now is the time to set about establishing selling connections abroad, so that, as and when the pressure of war requirements diminishes to the extent that Canadian firms can accept orders, the machinery will be in working order. Economic surveys have been made, market analyses are being prepared, and this information is available on request from the Department of Trade and Commerce, Ottawa.

The fact that a Canadian manufacturer has not exported to this area before should not deter him from investigating the possibilities which this

market has to offer. True, there are peculiarities, but this is common to all markets. With care and judgment they soon vanish, and the procedure becomes one of routine.

The Latin American Countries and Their Population

The Latin American countries may be divided into three geographical groups (population in thousands):

1. The seven republics of Central America, which include: Mexico (19,848), Guatemala (3,284), El Salvador (1,744), Honduras (1,038), Nicaragua (1,172), and Panama (573), excluding the Canal Zone which is United States territory. In this group there are 28,300,000 people.

2. The three republics of the Caribbean Sea: Cuba, Haiti, and San Domingo, and the United States dependency of Puerto Rico. Cuba (4,228), which was a Spanish colony until the end of 1898, gives the United States the benefits of special reductions in tariff rates which do not apply to Canada. Haiti (3,000), which occupies the western third of the Island of Hispaniola, was a French Colony from 1677 until it became independent in 1804; San Domingo (1,581) occupies the eastern portion of the same island. Puerto Rico (1,724), the fourth largest island of the Greater Antilles, became a dependency of the United States after the Spanish-American war. The total population of this group is 10,607,000.

3. The ten republics of South America: Brazil (45,002), Uruguay (2,123), Argentina (13,130), Chile (4,677), Bolivia (3,426), Paraguay (1,000), Peru (6,673), Ecuador (3,100), Colombia (8,702), and Venezuela (3,491). These countries have a total population of 91,300,000.

Wartime Purchasing Power and Exchange

The demand for Latin American products, both natural and manufactured, which has resulted from the present war has brought to Latin America an unprecedented period of prosperity. Large profits are being made by industrial establishments and producers. Employment is at a high

level, and wages have considerably increased.

Coupled with the tremendous increase in purchasing power there has been a curtailment of available opportunities to spend as a result of the scarcity of supply of the commodities which industry and the people would like to buy. This, in turn, has led to a considerable degree of inflation in some countries, as very little has been accomplished as regards imposing ceiling prices on commodities in demand, and the cost of living is steadily rising.

Because of their inability to spend the large sums of money which they are daily receiving from their exports, many Latin American countries are holding large amounts of blocked funds, both sterling and United States dollars, and it is estimated that the total now stands at well in excess of three billion dollars. In theory, the fact that there are very large sums of money waiting to be spent argues well for future trade possibilities, as all Latin American countries desire to purchase a wide range of commodities as and when supplies of these commodities are made available to them to buy.

However, the fact that there is an accumulated balance of well over three billion dollars in the hands of Latin American countries does not mean that all of this will be available for the purchase of goods. Some will be used to discharge debts, and some will be kept as a reserve. Part will probably be used for armament purposes, and some of it will definitely be earmarked for purchases from specific countries. Argentina has, for example, special trading arrangements with Great Britain, the United States, Brazil, Spain, and Sweden, and many other Latin American countries also have similar trading arrangements.

Anti-inflation measures have been taken by some of the Latin American countries. These include higher taxation, issues of internal bonds, and compulsory subscription to gold or foreign exchange certificates. In addition, advantage is being taken of the accumulated surpluses to repatriate foreign indebtedness and convert these into internal debts. In the latter case the

local governments maintain that, by reducing their external debts, less foreign exchange will be required in the future to repay principal and interest, and thus more money will be available to purchase essential imports.

Although the purchasing power of the peoples of Latin America as a whole has increased in recent years, according to Canadian standards it is still very low. There has been a considerable expansion in industrialization during the war, particularly in Mexico, Brazil, Argentina, Peru, and Chile, and every effort will be made to retain these industries when hostilities cease.

It is doubtful if the present rate of profit or the high level of wages can be maintained. Nevertheless, a sizable percentage of those who have found new employment in industry will continue to be employed steadily and, having experienced a general betterment of their economic position, these workers may be expected to make greater efforts than in the past to retain the slightly higher standard of living which they now enjoy. Provided a reasonable degree of care is exercised in handling their financial affairs, which at the present time are so favourable to them, the general purchasing power of the masses will be higher than it was before the war and will permit of a healthy exchange of merchandise between Latin American countries and Canada.

Canada's Trade With Latin America

Factors which have contributed to restricting the volume of Canadian exports to Latin America to a comparatively low level are the fact that the trade of the Latin American countries has been primarily directed toward Europe and that their products are for the most part similar to, and competitive with, those of Canada, their industries being principally agriculture and mining. The lack of adequate shipping facilities has been a decided handicap.

During the last decade, exchange control and other import restrictions imposed by a number of the Latin American countries have hindered imports from Canada. Language difficul-

ties have had their influence too. The necessity of preparing documents in Spanish or Portuguese and the advisability at times of conducting correspondence in these languages has discouraged Canadian firms from entering into negotiations, due to the scarcity in Canada of people who could speak and write these languages. This latter handicap is rapidly being overcome, as Canadian universities and colleges

are now catering to the growing demand for such courses.

Trade Statistics

Table I shows, for the years 1938 to 1943 inclusive, the values of Canada's exports to and imports from Latin American and adjacent countries that can usefully be grouped as one geographical trading area.

TABLE I

Canada's Trade With Mexico and Central and South American Countries, Including Cuba and Netherlands West Indies

	1938	1939	1940	1941	1942	1943
Total exports	\$19,628,328	\$22,792,295	\$30,075,476	\$40,856,950	\$34,320,637	\$34,502,582
Total imports	23,236,538	23,035,589	43,834,347	71,447,612	60,479,004	71,564,079
Argentina—						
Exports to	4,675,489	4,116,923	6,107,215	7,172,104	4,164,516	3,676,780
Imports from ..	2,149,160	4,406,456	6,541,862	4,763,752	9,738,479	10,198,617
Bolivia—						
Exports to	117,482	121,987	237,053	429,844	260,939	198,351
Imports from ..	8,360	2,510	34,415	9,848	25,729	...
Brazil—						
Exports to	3,521,766	4,406,789	5,062,829	8,097,143	3,737,892	4,964,355
Imports from ..	768,915	1,111,291	6,243,342	19,443,946	11,165,826	4,800,253
British Guiana—						
Exports to	1,397,862	1,586,489	2,579,192	5,542,906	6,131,509	5,740,141
Imports from ..	7,113,453	6,891,319	8,965,041	8,428,892	6,091,298	8,254,939
British Honduras—						
Exports to	279,563	222,868	317,770	279,354	163,110	226,702
Imports from ..	102,198	97,178	187,852	342,392	272,371	427,482
Chile—						
Exports to	604,373	956,592	1,436,333	1,788,426	1,058,667	1,028,012
Imports from ..	178,522	226,158	174,688	233,471	791,794	595,975
Colombia—						
Exports to	1,270,196	1,780,851	1,437,709	1,791,755	1,215,251	1,338,035
Imports from ..	6,903,426	5,437,078	9,850,734	12,912,526	1,996,535	5,021,004
Costa Rica—						
Exports to	99,248	145,526	210,810	289,877	218,024	174,161
Imports from ..	76,131	124,471	112,587	546,095	1,492,991	1,529,521
Cuba—						
Exports to	1,185,934	1,497,352	1,858,853	2,528,972	2,117,428	2,415,634
Imports from ..	439,924	888,649	1,430,735	4,329,619	5,912,717	8,551,838
Ecuador—						
Exports to	51,514	61,045	130,721	162,147	249,930	215,156
Imports from ..	27,715	17,891	25,676	169,713	47,477	260,510
French Guiana—						
Exports to	6,128	420	39,495	31,380	63,390	65,600
Imports from ..	...	1,424	...	...	...	...
Guatemala—						
Exports to	119,527	190,165	203,705	248,675	243,146	242,308
Imports from ..	84,862	163,698	59,011	607,840	1,098,308	1,070,047
Haiti—						
Exports to	120,266	105,107	128,159	121,319	390,482	279,322
Imports from ..	62,011	51,579	227,441	330,744	221,191	685,677
Honduras—						
Exports to	169,635	193,495	127,751	275,545	242,446	122,529
Imports from ..	37,893	16,502	45,976	78,461	167,862	192,855
Mexico—						
Exports to	2,339,583	3,003,750	4,328,406	4,254,767	5,583,644	8,329,614
Imports from ..	576,393	479,150	733,797	1,896,412	4,970,432	12,503,263
Netherlands						
West Indies—						
Exports to	203,990	179,033	222,923	424,054	3,474,011	483,517
Imports from ..	69	26,953	851,576	911,601	877,329	975,779

	1938	1939	1940	1941	1942	1943
Nicaragua—						
Exports to	74,970	90,288	130,667	213,480	184,952	214,922
Imports from ..	....	315	1,805	664	10,248	218,383
Panama—						
Exports to	304,270	262,706	532,246	740,405	764,609	734,961
Imports from ..	16,170	72,660	23,322	387,902	155,677	78,144
Paraguay—						
Exports to	10,993	5,748	13,897	21,353	2,397	15,343
Imports from ..	58,821	100,170	63,843	105,703	558,816	559,719
Peru—						
Exports to	892,089	1,244,776	1,527,210	1,941,909	1,026,049	766,452
Imports from ..	3,004,743	601,224	712,418	2,833,002	936,159	691,940
Puerto Rico—						
Exports to	329,042	548,441	656,526	1,184,740	870,315	1,279,407
Imports from ..	5,621	6,547	84,918	1,401	24,422	17,357
Salvador—						
Exports to	47,243	77,445	194,141	252,462	196,325	154,747
Imports from ..	16,528	44,945	44,420	431,152	794,437	1,208,412
San Domingo—						
Exports to	296,232	111,616	191,574	260,222	151,638	125,036
Imports from ..	341	16,011	3,791,690	4,831,663	612,453	169,509
Surinam (Dutch Guiana)—						
Exports to	38,941	42,490	70,703	139,549	128,458	133,143
Imports from ..	....	596	77,732	635,651	1,920,369	6,998,223
Uruguay—						
Exports to	215,830	138,126	610,077	930,610	884,125	842,905
Imports from ..	136,530	307,711	431,157	688,378	1,322,340	550,806
Venezuela—						
Exports to	1,256,162	1,702,267	1,719,511	1,733,952	797,384	735,449
Imports from ..	1,468,752	1,943,103	3,118,309	6,526,784	9,273,744	6,003,826

As shown in Table I, the aggregate values of Canada's exports to Latin American and adjacent countries in the years 1938 to 1943 were as follows: 1938, \$19,628,328; 1939, \$22,792,295; 1940, \$30,075,476; 1941, \$40,856,950; 1942, \$34,320,637; 1943, \$34,502,582.

Table II shows Canadian exports to this area by commodity groups for the years 1939 and 1942 and illustrates the change which has taken place in the trend of Canada's shipments thereto in these and intervening years.

Newsprint remained at the top of the list, as one would expect. Exports of rubber and manufactures thereof, which were second in importance in 1939, had become almost negligible by 1942. Wheat flour moved from eighth place in 1939 to second in 1942. Machinery, except agricultural, although reduced in total value, remained in third place. Textiles, which in 1939 were seventeenth on the list, moved up to four place, and so on down the list of items.

With their former main sources of supply cut off by the war, Latin Ameri-

can countries naturally turned to North America. Canada was able to meet this increased demand only in a limited way, as her main attention had to be directed, and still is, towards winning the war. The tight supply position has prevented Canadian manufacturers from filling orders which have been received for most lines. In other cases the scarcity of shipping space prevented shipments from going forward when the supply position would have permitted.

Even though Canada was faced with these two serious problems, some essential requirements were met, and by so doing the Dominion's export trade has increased appreciably since 1939. In 1941, the peak year, the value of exports amounted to \$40,856,950 as compared with \$19,628,328 in 1938, an indication that Latin America offers possibilities for trade expansion. A closer study of Table II shows that, while a few principal items account for the major portion of the dollar value, the export trade comprises a fairly wide range of commodities. It remains

for Canadian manufacturers fully to acquaint potential customers in Latin America with the fact that, under normal conditions, they can supply many of Latin America's requirements.

Canada's war effort, her increased trade, the exchange of diplomatic representatives with Brazil, Argentina, Chile, Peru and Mexico, and the work of Canadian Trade Commissioners,

have all tended towards making Canada better known throughout Latin America. The people in that area are favourably disposed towards Canada.

The Canadian merchandise supplied has given satisfaction, but distribution has been limited, and the goods are therefore not widely known. But the spade work has been done, and Canadian exporters should capitalize on it.

TABLE II

Principal Commodity Groups Exported from Canada to Mexico, Central and South America, Cuba, and Netherlands West Indies

	1939	1942
Total exports	\$22,792,295	\$32,320,637
Newsprint	2,951,131	6,070,753
Rubber and manufactures	2,894,105	112,370
Machinery (except agricultural) (mostly sewing-machines)	2,292,988	1,769,136
Farm implements and machinery	1,512,353	331,550
Soda and compounds	1,432,053	1,071,454
Potatoes, seed and table	1,263,783	634,338
Copper and manufactures	747,641	485,076
Flour, wheat	707,010	1,878,411
Milk, processed	561,200	344,003
Electric apparatus	525,413	544,350
Fish and fish products, n.o.p.	514,628	960,732
Aluminium and manufactures	446,564	...
Lead	354,002	6,097
Wood and wood products	337,013	232,361
Iron and steel products, n.o.p.	333,735	765,614
Wheat	331,012	155,607
Textiles	424,733	1,424,871
Asbestos and manufactures	305,315	652,424
Tubes, pipes, fittings, iron	290,846	112,893
Malt	273,241	283,053
Inorganic chemicals, n.o.p.	236,996	473,776
Paper and manufactures, including books, n.o.p.	222,993	758,989
Planks and boards	222,295	180,699
Hardware and cutlery	167,950	381,546
Nickel	163,382	77,861
Motors, vehicles and parts	157,515	1,097,911
Fertilizer	148,678	398,482
Furs	142,458	513,222
Apples, fresh	122,366	182,249
Leather and manufactures	111,756	1,099,406
Whisky (alcoholic beverages)	104,281	919,395
Paints	93,174	228,381
Wood-pulp	85,240	717,723
Medicines and toilet preparations	84,359	196,438
Abrasives	63,904	97,266
Cordage, rope and twine	59,642	...
Oatmeal and rolled oats	54,523	86,137
Lamps and lanterns	53,494	31,161
Ships and vessels	53,000	...
Brushes	51,823	74,326
Brass and manufactures	47,456	90,778
Pigs, ingots, billets, blooms, iron	34,501	371,255
Explosives	33,778	...
Wire, iron	31,115	94,845
Tools	22,610	...
Zinc	8,823	...
Drugs, dyes, chemicals, n.o.p.	6,738	322,291
Vegetable products, n.o.p. ....	...	331,804
Non-ferrous metals and manufactures .....	...	313,657
Felt and manufactures .....	...	290,635
Tools, hand and machine .....	...	28,012
Clay and manufactures .....	...	77,876
Non-metallic minerals and products .....	...	60,261

Opportunities for Trade Expansion

As stated previously, Latin America offers opportunities for trade expansion. Really big business is probably confined to two main groups: (1) industrial machinery and replacement parts, and (2) transportation equipment and supplies. Aside from these there are numerous other items, which, given the opportunity, Latin American countries will buy. These are briefly as follows:—

Abrasives:

All countries, although the demand in some of them is very limited.

Newsprint:

Canada is the principal supplier to all countries to-day. As for other paper and paper products, Latin America should offer substantial outlets after the war.

Rubber and rubber manufacturers:

All countries. There will be a good market for a variety of rubber products and specialties.

Farm implements and machinery:

All countries with the exception of British Guiana, Cuba, Panama, British Honduras, Honduras, Guatemala, Netherlands West Indies, Costa Rica, Nicaragua, Salvador, Surinam, Paraguay and French Guiana, where the demand is very small.

Potatoes, table and seed:

Argentina, Cuba, Venezuela, British Guiana, and Panama.

Cotton textiles:

Colombia, Chile, Bolivia, Panama, Uruguay, Peru, Ecuador, Venezuela.

Copper and copper manufacturers:

As far as Canada is concerned, this would be chiefly wire for telephone and electrical installations, with possible sales outlets in all countries.

Iron and steel pipes and fittings:

All countries.

Motor vehicles and parts:

All countries.

Yarn and thread:

All countries.

Flour of wheat:

British Guiana, Venezuela, Panama, Costa Rica, Brazil, Cuba, Surinam.

Electric apparatus:

All countries.

Textiles, wool:

Argentina, Bolivia, Colombia, Ecuador, Peru, Uruguay, Mexico.

Fish and fish products:

Good opportunities for salmon, sardines and codfish.

Metal products:

All countries.

Tools:

All countries.

Foodstuffs:

All countries offer possibilities; the nature of the demand varies with the country and its own local production.

Wood and wood products:

The nature of the offering determines sales possibilities because of the availability of local hardwoods.

Iron and steel products:

This covers a wide field. All countries import large quantities. Brazil, Argentina, Mexico, and Chile produce many items locally.

Asbestos and manufactures:

Argentina, Brazil, British Guiana, Colombia, Mexico, Peru, and Uruguay.

Inorganic chemicals:

All countries.

Hardware and cutlery:

All countries. Competition in this group is keen, and price will play a big part.

Leather:

With the exception of British Guiana, British Honduras, Cuba, French Guiana, Netherlands West Indies, Paraguay, Salvador and Surinam, there is a good market, especially for upper leathers.

Paints:

Although competition is keen, all countries offer possibilities in proportion to their purchasing power.

Manufacturers must bear in mind that, relatively, the per capita purchasing power of Latin America is low and, while there is a growing appreciation of quality, consumer goods must be comparatively low-priced to attain volume sales.

Imports

Trade is an exchange of products, which may be bilateral, trilateral, or multilateral. The institution of various systems of foreign exchange control in a number of Latin American countries makes it even more necessary than in the past to realize the essential fact that the more Canada purchases from a particular country the more that country may be expected to buy from Canada.

The variation in the volume of Canadian imports from Latin America from year to year since 1929 closely parallels that of exports thereto, but it will be observed from Table I that since 1938

Canada's imports have been steadily going up and, particularly since 1940, exceeding in value her exports to this area.

During the last few years, imports from Latin America have grown by leaps and bounds (see Table I), but Canadian imports of consumer goods are not large in comparison with those of raw materials and foodstuffs. Sources of supply which have been cut off by the war will again be available in the post-war period, and some of the products may not sell so readily as at present. However, there are hopes that a broad market will continue, provided supplies in adequate volume and of standard qualities are available.

Latin American countries which have been shipping large quantities of strategic materials to North America are apprehensive over future export prospects, but outlets will continue, and they should increase for such items as leather goods and luggage, hats, baskets, jewellery, gloves, miscellaneous handicrafts, fruits, coffee, sugar, cocoa, cotton, and sundry other items. The recent establishment of an Import Division within the Department of Trade and Commerce will do much towards assisting in the advancement of two-way trade.

Language

Latin Americans all speak languages derived from the Latin: Portuguese in Brazil, French in Haiti, and Spanish in all the others. However, language is no barrier to trading with these countries, as there are English-speaking persons

in all of them, and anyone interested in establishing commercial relations with Latin American countries and wishing to obtain first-hand information should not hesitate to visit them because he does not speak Spanish, Portuguese or French. To be able to speak the language of the country is, of course, a great help in obtaining useful information and in getting to know the people, but it is by no means a "must".

Travelling

While the Department of Trade and Commerce can render valuable assistance to exporters, if preliminary investigations indicate that there are trade possibilities of sufficient volume to warrant the expense of sending a representative on a tour of the republics, such a course is advisable and will pay handsome dividends.

The most convenient way to visit Latin American countries is to travel by air. At present all international airlines are subject to governmental priority regulations, which determine precedence in assignment of accommodations, but passages are obtainable, although on occasion travellers may experience delays in getting from one place to another.

Editor's Note.—This is the introductory article of a series on Latin America, which will appear at intervals in the *Commercial Intelligence Journal*. Reports dealing with other geographical areas will be published subsequently.

UNITED KINGDOM FISH PRODUCTION

By J. A. LANGLEY, Canadian Trade Commissioner at London

The Ministry of Agriculture and Fisheries have recommenced the publication of statistics showing the production of fish in England and Wales.

These reflect the great curtailment of fishing operations which resulted from the diversion of fishing vessels and fishermen to war service.

The table compares the quantities and values of the most important varieties caught in England and Wales in 1944 with those for 1938.

A noteworthy feature of the return is that, whereas the tonnage of fish landed in 1944 was less than one-quarter of that recorded in 1938, the

Fish Caught in England and Wales, 1944 and 1938

	Cwt. 1944	Cwt. 1938	£ 1944	£ 1938
Total wet fish	3,444,905	15,532,692	10,066,231	12,233,209
Cod	1,033,447	6,446,398	2,761,835	4,239,308
Haddock	180,812	1,833,213	491,355	1,696,184
Hake	508,859	639,359	1,360,335	1,184,420
Plaice	352,115	461,441	2,104,636	1,188,726
Skates and rays	139,287	343,729	317,349	412,915
Whiting	163,927	269,397	377,920	202,499
Herrings	129,666	2,586,592	143,959	804,082

fall in value was only 17 per cent. This was due to the considerable rise in prices. In 1943 the consumption of fish per head was about two-thirds of the pre-war average. The shortage in supplies has been partly filled by imports from Canada and elsewhere.

Another outstanding point is the exceptionally heavy drop in the herring catch. In 1944 production was little more than one-twentieth of the 1938 amount.

It is generally expected that, when it is possible to resume fishing activities, operations will be more productive than before the war. The fishing areas are reported to be well stocked after five years of neglect. A necessary preliminary to normal activities, however, will be extensive mine-sweeping.

Owing to the probability of a meat scarcity after the war, the immediate prospects for the United Kingdom fishing industry appear to be very favourable.

BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Sencom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland), 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 67 Yonge Street, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia), 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancom."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

BRITISH EXPORT TRADE RESEARCH ORGANIZATION

By C. G. VENUS, *Office of the Canadian Trade Commissioner at London*

With reference to the proposal to form a research organization to assist the revival and subsequent maintenance of United Kingdom export trade, which was the subject of a report published in *Commercial Intelligence Journal* No. 2118 (September 2, 1944), page 192, the scheme, although in a form somewhat different from that originally suggested, has now reached fruition. The promoters are an influential group of some sixteen leading United Kingdom industrialists, representing about £175,000,000 of capital, and a number of advertising agencies experienced in market research work.

The plan, in brief, is that United Kingdom industry should co-operatively establish its own organization for conducting market research and maintaining a trade intelligence service throughout the world. For this purpose, it is proposed to set up an organization to be known as the "British Export Trade Research Organization", with headquarters in London and branches in every overseas territory. Pending the formation of overseas branches, it is intended to create in London a "flying squad" of experienced research personnel ready to go overseas at short notice to carry out market research. The flying squad will form the nucleus of the eventual world-wide organization.

The organization will be self-supporting and non-profit making, and membership will be open to all British concerns. It will use every opportunity of co-operating with any government department or commercial organization that has for its aim the promotion of British trade overseas. The United Kingdom Government departments concerned with trade have expressed themselves as in accord with the general objectives of the organization.

Membership

The project provides for two classes of members:—

1. Founder members, who are invited, on grounds of public service, to guarantee £500 a year for three years in order to set the organization on its feet. A campaign is to be started immediately to bring in the leading companies in every export industry on this basis.

2. Ordinary members, who will pay a subscription of £100 a year.

Arrangements will be made to enable trade associations to be affiliated with the organization on mutually satisfactory terms.

Specific Research

Membership will confer the right to share in the general service of trade information that the organization will furnish, to use the facilities of any overseas branch of the organization, and to commission, at a minimum cost, specific market and consumer research in any area desired.

This specific research work, which will be charged to the member at cost plus a fixed percentage, is the main service that the British Export Trade Research Organization will provide for its members. In effect, the aim of the organization, when it is in full operation, is to place at the disposal of any of its members an agent in every country who can be called upon at any time to ascertain and report upon the essential facts which should be in the possession of a company wishing to trade successfully overseas.

Governed by Council

The organization will be registered as a limited company, and will be governed by a council (all of whose members will be unpaid) which, it is intended, should be fully representative of United Kingdom industry on the highest plane. The liaison between the council and the management will be a small executive committee, the members of which will also be unpaid and selected from the council.

Advertising

The British Export Trade Research Organization will work in close association with an overseas advertising service which a group of United Kingdom advertising agents have jointly agreed to set up. This will be called the "British Export Trade Advertising Corporation Limited." It will be a

profit-making concern, but the distribution of its profits will be limited, and it will charge for its services, which will be available to the advertising agents of members of the organization. Members will not, however, be bound to use this corporation; they will be completely free to use any other advertising services.

INDIAN MARKET FOR TOILET ARTICLES AND PREPARATIONS

By PAUL SYKES, *Canadian Trade Commissioner at Bombay*

(One rupee equals approximately \$0.335 Canadian)

Canadian firms have seldom taken any part in India's trade in toilet articles and preparations. The following review of the extent, variety, and various other characteristics of the business is submitted with a view to assisting exporters in establishing contacts and consolidating sales of such goods to this territory.

Import Trade

It is impossible to give an up-to-date and comprehensive statement of India's imports of toilet goods, the latest available statistics being for the fiscal year 1939-40. Even these figures apply to no more than some of the commodities involved, such articles as manicure sets, mirrors, and others being included in figures for miscellaneous cutlery, glassware, etc. The following statistics of imports of miscellaneous toilet requisites, toilet soap, perfumery, and toilet brushes will still give some idea of pre-war values of such business.

The most important individual item of import is "toilet requisites not elsewhere specified". This heading covers such articles as cosmetics, combs, paper tissues, toothpaste, hair oil and cream, and a considerable variety of similar articles. The United Kingdom and the United States have been the leading suppliers of these items, followed in importance by Japan and Germany. Figures of the average value of imports from principal countries for the five years 1935-36 to 1939-40 are as follows:—

Average Indian Imports of Miscellaneous Toilet Requisites, 1935-36 to 1939-40

United Kingdom	Rs.2,700,000
United States	2,200,000
Japan	920,000
Germany	360,000
France	180,000
Austria	120,000
Other	160,000

Total Rs.6,640,000

The second most important item among these imports is toilet soap, which has been imported largely from the United Kingdom. Principal details of pre-war trade in this commodity are as follows:—

Average Indian Imports of Toilet Soap, 1935-36 to 1939-40

United Kingdom	Rs.1,650,000
United States	510,000
Japan	75,000
Germany	25,000
Australia	16,000
Other	24,000

Total Rs.2,300,000

There is in addition a substantial trade in perfumery, again mainly of United Kingdom origin. France and Germany have usually shared the balance of the business. Details of imports from principal sources of supply are as follows:—

Average Indian Imports of Perfumery, 1935-36 to 1939-40

United Kingdom	Rs. 360,000
France	120,000
Germany	100,000
Other	20,000

Total Rs. 600,000

The remaining item for which statistics of imports are available is toilet brushes, mainly toothbrushes but including also hairbrushes, nailbrushes, etc. These articles have also been imported largely from the United Kingdom, while the United States has been the second most important source of supply. Average imports for the period 1935-36 to 1939-40 were as follows:—

Average Indian Imports of Toilet Brushes, 1935-36 to 1939-40

United Kingdom	Rs. 300,000
United States	100,000
Other	150,000
Total	Rs. 550,000

The predominance of the United Kingdom as a source of supply of India's requirements of toilet goods is apparent from the foregoing statistics. The United States has also established a firm position in some branches of the trade. Japan's participation has been based on the supply of cheap lines and a few novelties.

Canadian goods have seldom been on sale in this market. A limited volume of business in toothpastes, combs, and a few other lines was developed in the early years of the war when it was difficult to secure stocks from the United Kingdom and the Continent, but this trade soon disappeared, owing to the prohibitory effect of Indian import and exchange control. Small quantities of shaving soap and combs have recently been imported from Canadian sources following the issue of a few special import licences designed to relieve the shortage of consumer goods and a serious upward trend in price levels.

Domestic Production

India is not an important producer of toilet goods except perfumed hair oil and toilet soap of low to average quality. Hair preparations, made from coconut oil and a variety of perfumes and other ingredients of local origin, are made in substantial quantities and sold throughout the country at very low prices. Toilet soap is in the same way a by-product of local oil mills

and is produced in fairly large quantities.

The extreme shortage of practically all imported goods of this type has induced local manufacture of many that were never previously produced in any quantity, such as toothpaste, shaving cream, perfume, powders, brushes, etc. Although it is improbable that this industry will be able to maintain its present position in the face of renewed competition from abroad, some of the firms engaged in the business will undoubtedly be able to retain a share of the market.

Unless, therefore, total demand expands, that part of it available to producers in other countries may prove to be of less value than in pre-war years. On the other hand, the gradual increase in the standard of living throughout the country may counteract any such tendency and may even lead to improvement in the consumption of both domestic and imported products.

Representation

There are numerous agency and distributing firms in India interested in securing the representation of Canadian manufacturers of all such lines as toothbrushes, toothpaste, soaps of various types, cosmetics, etc. Canadian firms should, however, refrain from any commitments until they are satisfied of the ability of local concerns to give them active and efficient representation and, preferably, complete coverage of the market.

A considerable part of the business obtainable will be in the form of incidents for shipment direct to departmental stores and other retailers. The agent will frequently, however, find it desirable to hold certain supplies on his own account for the convenience of some customers and the development of new accounts.

Advertising

Most goods of this type require the assistance of intelligently managed advertising at the time of their introduction to the Indian market and as a means of promoting subsequent dis-

tribution. Such advertising is generally the responsibility of the exporter, who must take into account the expenditure involved when computing export prices. Publicity of this kind will be based mainly on advertisements in newspapers and periodicals, but may also include cinema advertisements, some distribution of samples, allowances to some sub-agents or distributors for use in their own advertising campaigns and other items. All such plans should be worked out carefully with local agents, who may on occasion be required to share the expense involved. In this connection, a report entitled "Advertising in the Indian Market" was published in *Commercial Intelligence Journal* No. 1750 (August 14, 1937), page 301.

Inquiries

Canadian manufacturers or export agents who are interested in the sale of toilet articles in the Indian market are invited to supply the Trade Commissioner's Office at Bombay with all available literature descriptive of their products, representative samples, and information with respect to prices and selling or agency terms. On receipt of such material, it will be placed before competent agents or distributors, and a report supplied on the adaptability of the line to local market requirements, together with advice as to the most desirable means of establishing business relationship with one or more local connections.

ECONOMIC CONDITIONS ON THE WEST COAST OF THE UNITED STATES IN 1944

By T. J. MONTY, *Acting Trade Commissioner at Los Angeles*

Trade and Industry

Economic developments on the West Coast (Twelfth District)* during the past year, according to a recent report of the Federal Reserve Bank of San Francisco, continued on a high wartime level, being dominated still by war production demands and military expenditures. Shortages of war workers, however, have contributed to hinder to some extent scheduled production. Industrial employment, which had begun to decline in mid-1943, receded further in 1944 despite energetic recruitment programs, patriotic appeals and more stringent regulations of the War Manpower Commission designed to curtail labour turnover and to funnel available labour supplies to essential activities. Apart, however, from manpower difficulties, most obstacles in the war production program had been surmounted early in 1944. Plant facilities had been largely completed, supplies of many critical materials, including steel and the light metals, had been

eased, and the operations of direct war supply plants had attained fairly high levels of efficiency as compared with those of the earlier expansion period. Stocks of munitions and supplies had been built up, and military progress abroad made to the point where government agencies felt safe to undertake war-supply procurement programs of a more selective character. Greater attention was given, for example, to the development and production of larger, more complex ships and aircraft than to volume output of established types. Certain cutbacks were made necessary by swiftly changing conditions in the war theatres. The hope of increased civilian production and reconversion, which ran high when developments in the military situation were favourable, was eventually discouraged by later developments, and such plans as had been drawn up were indefinitely postponed.

LABOUR

Conditions in 1944 which gave rise to the short-lived movement toward reconversion reacted adversely upon the industrial labour situation. A belief

*The Twelfth District of the Federal Reserve Banking System comprises the western states of California, Washington, Oregon, Arizona, Idaho, Utah, and Nevada.

in the early end of the war created a shift of war workers to jobs purporting to offer a greater measure of post-war security. This movement has been probably the most important single cause of employment declines in the two major Twelfth District war industries since mid-1943; less directly it has meant production losses in the older established industries. The total labour force, however, was adequate for the maintenance of the war production program and essential civilian activities. In the absence of a manpower draft, control was evolved by means of employment referrals and threats to induct able-bodied men in less essential employment.

Total non-agricultural employment in the Twelfth District declined from 4,100,000 in December, 1943, to 3,900,000 in December, 1944. Of the decrease of 200,000 workers, nearly all were in manufacturing. Total employment in other non-agricultural activities showed practically no net change over the year. The 200,000 manufacturing workers were largely aircraft and shipyard employees, and many of these may be presumed to have left the West Coast.

Certain essential District industries, including lumbering, mining and transportation, lost large numbers of experienced employees, who have never been adequately replaced, early in the war period.

WOMEN IN INDUSTRY

The number of women wage-earners employed in durable goods industries advanced in 1943, principally because of increased hiring in shipyards, while male employment was levelling off. In 1944, however, female employment receded 22 per cent, about the same rate as the decline in male employment. In California, 66,000 women were employed in aircraft plants during December, 1944, as compared with 96,000 in December, 1943, and a peak of 103,000 in the spring of 1943. Shipyard employment declined from a peak of 41,000 in December, 1943, to 32,000 in 1944.

AIRCRAFT

Employment in the District aircraft industry reached a peak of 315,000 in mid-1943 and subsequently declined to a level averaging 231,000 during the last few months of 1944, a period of comparative stability. The greater part of the loss of workers was offset in 1944 by more efficient operations, but production of certain aircraft types, including the Boeing B-29 (Superfortress) failed to meet military schedules during the year. The number of aircraft produced at District plants during 1944 was slightly less than in 1943. Reflecting an increase in average weight per airframe of 17 per cent, however, the total tonnage produced attained a new high and was over a third of the national tonnage figure.

The number of planes scheduled for production in the United States during 1945 was set at 78,227 late in December. Although this represents a decline of more than 18,000 aircraft from 1944 output, increased emphasis on the 25-ton Superfortress, new heavy fighters, and long-range transports indicates that output measured in weight, if held to schedule, will not undergo the same relative decline.

SHIPBUILDING

Manpower losses were one of the principal concerns of the shipbuilding industry in 1944, although employment declines at Pacific Coast yards were smaller than in the aircraft industry. While employment over the year was about 10 per cent below that of 1943 (from an average of 610,000 to 530,000), the shipyards produced about one-third less tonnage in deadweight (cargo-carrying) tons and about one-eighth less tonnage in lightweight displacement tons (weight of ship). The emergency-type cargo program came to an end for Pacific Coast yards with delivery of the final Liberty ship in July, 1944; the West Coast yards, formerly concentrating on that type, switched their facilities to faster cargo ships of the Victory type and to military types such as transports, hospital

ships, and combat cargo ships. Though having less cargo-carrying capacity than the Liberty ship, these ships all are of more complex design and require correspondingly more man-hours to build.

While the number of ships built on the West Coast was reduced from one-half to over one-third of the total ships built in the United States for the Maritime Commission, although representing nearly half of the lightweight tonnage, on the other hand, ship repair and maintenance work greatly increased in importance during the past year. It is anticipated that in 1945 the shift to repair work on the Pacific Coast will be intensified to meet the needs of naval vessels and merchant shipping in the Pacific area, and that the number of new ships to be built will probably be proportionately less than at yards elsewhere in the country. Scheduled for 1945, however, is the continued construction of a substantial number of tankers, cargo-type Victory ships and long-range program dry cargo ships.

WOOD PRODUCTS

Lumber production was slightly higher in 1944 than in 1943, an estimated 14.5 billion feet having been cut as compared with 14.3 billion in 1943, 14.9 billion in 1942, and 15 billion in 1941, the largest output during the past decade. Mill stocks continue at abnormally low levels. At the end of 1944, lumber requirements for military and essential civilian purposes were higher, in relation to available supplies, than at any time since the beginning of the war. Lack of manpower in the woods and mills remains the chief obstacle to increased production, and shortages of heavy-duty truck tires have also contributed. Anticipated requirements during the first quarter of 1945 for Western pine lumber, which is used extensively for boxing and crating, are more than 100 per cent in excess of expected supplies.

Approximately 1,390,000 tons of paper and paperboard were produced in the Twelfth District during 1944.

Output was 6 per cent above the 1943 level but slightly below the 1941-42 average. Production of wood-pulp increased moderately, owing chiefly to the reopening of a Tacoma mill, which had been closed in 1942 to conserve logs for sawmill use. Part of the supply of western pulp is used for ordnance purposes, and this reduces the amount of market pulp available for paper production. An increasing shortage of paper for civilian consumption is indicated for the first quarter of 1945.

PETROLEUM

Daily average production of crude petroleum was advanced to 852,000 barrels in 1944, a 9 per cent increase over the output of 779,000 barrels per day in 1943, as a result of new well completions, the reconditioning of old wells, and production from established reserves at higher than maximum rates. The demand for and supply of principal petroleum products were in better balance during 1944 than in 1943. Military gasoline requirements expanded sharply further, but production was also pushed to new highs, and total stocks displayed little net change during the year, safely above minimum working inventories.

After reaching a record peak in December, 1943, total demand for Pacific Coast heavy fuel by the Navy, merchant vessels, the railroads, and industry fell off sharply in 1944. As a result, inventories, which had been declining sharply and were at dangerously low levels last spring, were built up by the end of 1944 to the level of a year earlier.

MINERALS

Copper production declined to 1,440 million pounds as compared with 1,633 million in 1943 and was the lowest since 1941 despite an expansion of mine facilities in Arizona, the most important producing state in the country. Lead production also declined sharply to the lowest level since 1935, but output of zinc increased moderately to a new high level, principally because of increased mill capacity in Nevada and

sharply increased output of zinc-lead ore from two Arizona mines.

According to the WPB, copper production is likely to continue to decline in 1945, even though requirements for army ammunition will bring total demand above the 1944 peak rate. Copper needs not supplied by domestic mines will be met by imports, which for the first time are expected to exceed domestic output. The lead situation is expected to be tighter in 1945, but zinc supplies are expected to be adequate.

Reflecting continued restrictions, gold production reached the lowest level in many years. In California, formerly the leading gold-producing state, output was the lowest since 1848. Most gold and silver produced in 1944 was obtained as by-products of essential base metal output.

Mercury production declined sharply in 1944, as reduced consumption and large stocks at the beginning of the year forced prices down and discouraged mine operations.

A surplus of aluminum resulted in the closing down of five government-owned reduction plants in 1944, including two in the Twelfth District. Supplies of magnesium are also ample, and a number of plants producing primary magnesium, including three government plants in the Twelfth District, were closed in 1944. At the end of the year two aluminum reduction plants and one primary magnesium plant, all privately owned, were operating.

Steel-ingot production in the Twelfth District has jumped sharply since 1942, owing principally to the opening of the Fontana plant (near Los Angeles) having an annual capacity of 675,000 net tons, in May, 1943, and of the Geneva plant, having an annual capacity of 1,280,000 net tons, in February, 1944. District production in 1944 totalled 2,300,000 tons as compared with 1,600,000 tons in 1943, and 1,200,000 tons in 1942. The greater part of the increased ingot output has been rolled into ship plates. In recent months the Fontana plant has been manufacturing

steel shell projectiles in large volume, in addition to ship plates.

RETAIL TRADE

Consumer commodity purchases advanced substantially further in 1944, continuing the steady year-by-year increase beginning in 1938. The value of District department store sales was a tenth larger than in 1943, owing in large part to a spurt in buying during the latter half of the year. As a result, however, inventories held by department stores at the end of 1944 were 9 per cent below those of the previous year. As measured in months' supply and the rate of sales, inventories declined 20 per cent over the year and 28 per cent below the figure for December 31, 1942. It is noteworthy that furs and toilet articles were the only commodities of which stocks at the end of 1944 were above the levels of one and two years earlier.

Agriculture

Agricultural production, aided by favourable weather and stimulated by prices well above those of pre-war years, continued at a high level in 1944, although labour was scarce and supplies of farm equipment and fertilizer were tight. Cash receipts of district farmers from farm marketings increased about 10 per cent over 1943 to a new high, but the increase was much smaller than from 1942 to 1943. Farm prices were only slightly higher than in 1943. The agricultural output of the nation in 1944 was distributed about as follows: 77 per cent for domestic civilian consumption, 14 per cent for the Army and Navy, and 9 per cent for foreign relief and lend-lease.

PRODUCTION

Increases over 1943 were especially pronounced in fruits, with the exception of grapes, and in many truck crops. The output of most field crops did not exceed that of 1943, except for a substantial increase in wheat production.

Milk and egg production attained new highs. The 1944 pig production, however, was 40 per cent under that of 1943. The number of sheep on farms and ranges has steadily declined during the war because of labour shortages, more profitable cattle operations, and fear of the effect of wool stockpiles upon post-war prices. District wool production has declined correspondingly. Beef cattle on district farms and ranches increased about 13 per cent from the 1937-41 average to 1944 as compared with a 30 per cent increase for the nation as a whole. The peak appears to have been reached at the beginning of last year, and there was a decline in 1944 of about 4 per cent in numbers of beef cattle in the District.

Extremely favourable weather, increased mechanization that permitted of more intensive utilization of labour, longer working hours, superior varieties of crops, and better feeding practices have made increased agricultural production possible. Output has been stimulated by higher prices, and price supports have been used in many cases as incentives to increased production.

PRICES AND INCOME

Prices received by farmers in 1944 were only slightly higher than in 1943, but were about 80 per cent above those of 1935-1939. Crop prices, in general, have risen more than prices of live stock and their products. Increases in fruit prices since 1935-39 have been particularly marked.

Gross farm income in the Twelfth District was up 160 per cent in 1944 over the 1940 figure, but only 10 per cent over that of 1943. Reflecting relative price movements as well as changes in production, the increase each year since 1940 in receipts from crop marketings has been consistently greater than that from live stock and live-stock products. In large part because of the importance of fruit and truck crops in the District, especially in the

Pacific Coast states, gross farm income in the District has increased considerably more than in the country as a whole.

FRUIT AND VEGETABLE CANNING

Except in some sections, there were no critical shortages of labour for fruit and vegetable canning during the 1944 packing season, owing largely to the work of housewives and other persons not continuously in the labour market. A large proportion of the record California apricot crop, totalling 327,000 tons, was processed, and the canned pack exceeded 7.7 million cases as compared with an average of 2.8 million cases in 1934-43. The California canned peach pack was also above average, but probably would have been larger had it not been for scattered shortages of harvest and cannery workers. Complete data on the canned fruit and vegetable pack of Oregon and Washington are not yet available. Trade reports indicate, however, that the canned pear pack, normally the most important fruit pack in that area, increased somewhat over the 1943 total of 2.8 million cases, but was below 1940-42 levels. The important pea pack declined from a record of 7 million cases in 1943 to 6.1 million in 1944 but remained larger than in any previous year.

Under War Food Administration order, each canner and processor is required to set aside for government purchase a number of cases from the packs of certain fruits, vegetables, fruit juices, and vegetable juices. The volume of each pack to be set aside is a specified percentage of the canner's average pack in 1942-43. While complete figures of the 1944 canned packs are not available, it is likely that about half the national production of canned fruits, vegetables, and juices will be reserved for the Government as compared with 27 per cent in 1943 and 31 per cent in 1942.

WORLD WHEAT SITUATION

From the monthly review in *Dominion Bureau of Statistics Bulletin*

In appraising the supplies of wheat in North America which are available for export overseas, attention must be paid both to the position of these wheat stocks and the availability of rail, lake and ocean transportation facilities. An additional factor limiting flour exports is, of course, the capacity of the domestic flour mills. Flour mills in both Canada and the United States are booked to capacity for months ahead. Adequate supplies of wheat exist in Canada, the United States and Argentina to meet the needs of importing countries; the more immediate problem is the transportation and processing of sufficient wheat to meet these needs.

As a result of smaller requirements of wheat for feed in the United States in 1944-45, a substantial quantity of American wheat will be released for export, while the year-end carryover is also expected to increase. If sufficient cars and ships become available, the United States' gross exports may exceed 140 million bushels during the current crop year, leaving from 350 to 375 million bushels for carryover at June 30, 1945. This would be moderately above the 316 million bushels carried over last year but sharply below the 622 million bushels on hand at July 1, 1943.

The prospective early opening of the St. Lawrence ports and of navigation on the Great Lakes will both increase the supply of Canadian wheat in export position and facilitate a heavier movement from the interior to the Atlantic seaboard. Although the volume of Canadian exports in 1944-45 is still uncertain, it is not likely that stocks of wheat in Canada at the end of the crop year will fall below the 300 million bushel level.

Argentina, despite a poor crop, continues to hold a fairly large exportable surplus of wheat. The Ministry of Agriculture reports that stocks at December 1 amounted to 173 million bushels. This estimate may not, how-

ever, include some wheat which has been sold to Spain or set aside for consumption as fuel. In any event the new crop of 156 million bushels should cover all domestic requirements for the calendar year 1945, leaving the equivalent of the total carryover of old wheat for export or carryover. Argentina's exports in 1944 amounted to about 92 million bushels, most of this wheat being consigned to Spain and Brazil.

Australia, having cancelled all wheat exports for 1945, is attempting to boost her wheat acreage from the 8.3 million acres seeded in 1944 to 11.5 million acres. The chief obstacles to the attainment of this objective are shortages of labour, tractors and superphosphates. Nevertheless, press reports indicate that Australia is looking forward to regaining her position as a major wheat exporting country after the harvesting of the 1945 crop.

The weather over Western Europe is reported excellent for the seeding of spring crops. Ploughing is under way, and considerable spring planting has already been accomplished in those countries not under German control. It is known that government officials have been attempting to encourage increased seeding, and the favourableness of the season would facilitate such an increase in seeded acreage. It is believed, however, that seedings in the United Kingdom will not equal last year's. Sowings of winter wheat in France are placed at 6.7 million acres as compared with 10.1 million acres during the fall of 1943. In pre-war days the seeded acreage varied from 11 to 13 million acres.

The Soviet Union has announced an agricultural plan calling for an increase of 20 million acres in the total crop area for 1945. The greater part of this increase has been allocated to collective and state farms. It is thought that most of this expansion is to take place in the liberated areas, where the acreage

was reduced during the German occupation. Although the scheduled increase in cultivated acreage is smaller than that achieved a year ago, it should

result in about three-fourths of the pre-war crop acreage of the liberated areas being brought back into production.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

SERVICES FOR THE BRITISH PACIFIC FLEET

Commonwealth expenditure of £21,-156,000 has been scheduled for the provision of facilities, supplies and services for the British Pacific Fleet before June, 1945. The total is made up as follows:—

Ship maintenance, repairs, refitting and docking, £2,000,000; aircraft assembly, maintenance and repairs, £130,000; works projects, £3,843,000; food, £10,655,000; medical and dental stores, £2,626,000; naval stores, £771,000; clothing and related items, £250,000; canteen stores (non-food), £410,000; direct employment of Australian civilians in supply establishments, £1,000,000; machine tools and the like, £216,000; small marine craft, £684,000; vehicles and automotive equipment, £870,000; communications equipment, £65,000.

These estimates do not include the value of the range of facilities and services to be rendered by the Australian Naval, Army and Air Force establishments, as well as by civilian establishments, such as railways.

Australia has provided for the Royal Navy in peace time as well as war. Three to four times as much food will have to be provided this year as during the previous year. Victuals will include fresh and dried vegetables, meat, butter, cheese, margarine, processed milk, rabbit meat, dried fruits, flour, potatoes and coffee.

SUGAR PRODUCTION, 1943-44

Disturbed conditions in Australia and overseas caused unavoidable delays in the delivery and disposal of part of the raw sugar crop during the year ended June 30, 1944. As a consequence,

the raw sugar was subject to a certain amount of deterioration, and payment for supplies delivered after February 25, 1944, has been calculated on the basis of the sound sugar of the same brand shipped to Australian refineries to that date.

The total quantity of raw sugar paid for was 505,413 tons, of which 469,521 tons were obtained from Queensland mills, and 35,891 tons from New South Wales mills. Of this sugar, a quantity of 25,500 tons was sold for the supply of overseas customers.

The total production of 94 n.t. sugar was 523,794 tons, allocated as follows: approximately 410,704 tons as "home consumption sugar" and 89,654 tons as "surplus sugar." Purchases were at the following declared prices: £22 10s. 6d. per ton 94 n.t. for "home consumption sugar"; £13 2s. 6d. per ton for "surplus sugar". The total cost of purchases was £10,956,667. (The Australian pound equals Can.\$3.55 approximately.)

Belgian Congo

WARTIME INDUSTRIAL DEVELOPMENTS

Numerous industrial activities have been undertaken in the Belgian Congo since the war as the result of restricted imports. Important among them are: rope-making, the production of silk and silk-gut, and tailoring. Textile factories have developed satisfactorily and have increased the output of cloth for domestic consumption and also have produced wadding and gauze for medical purposes.

Belgium

MACHINE-TOOL SITUATION

The need for replacement and modernization of machine tools is

recognized by Belgian dealers, according to the *Foreign Commerce Weekly*. Some dealers believe that it will be necessary to replace 90 per cent of the equipment in order to maintain Belgium's competitive position.

Machine tools used in Belgium before the war were, for the most part, light, low-speed machines of German origin. Exports of machine tools during the war have been practically nil, and Belgian industry has relied exclusively on out-of-date equipment supplemented by relatively unimportant domestic production. With the exception of lathes and planers, it is reported that few machines in Belgium are capable of attaining the high production that is possible with the new tool steels.

Dealers are particularly interested in complicated, high-production machine tools of the type that is not produced in Belgium. Little interest has been shown in the simpler machine tools, but a large number of these undoubtedly will need to be replaced.

Czechoslovakia

RECONSTRUCTION IN LIBERATED AREAS

Rapid progress toward restoration of normal conditions has already been made in those parts of Slovakia and the Sub-Carpathian Ukraine which have been liberated, according to the *Central European Trade Review*. Electricity and water services have been restored, factories and flour mills are again working, shops have been restocked with the elementary needs of the population at least, and public libraries and cinemas have been reopened.

Peru

LOW-RATE POWER TO INDUSTRY

One of the largest electrification projects in South America is planned for the Chimbote Bay-Santa River region of Peru, according to a foreign news report. From 10 to 20 years will be required for the work, which includes the completion of the Canon del Pato hydro-electric plant and the

construction of several hydro-electric plants in other parts of the country in order to provide inexpensive power sources for industrial developments.

The Peruvian Congress has approved the appropriation of 13,000,000 soles annually for the use of the Corporacion Peruana del Santa, Lima, the government agency in charge of the industrialization program. Of this amount, 1,000,000 soles are earmarked for engineering studies and surveys necessary in laying the ground-work for the enterprise.

South Africa

GOLD PRODUCTION IN 1944

Total production of gold in 1944 amounted to 12,277,228 ounces, a decrease of 522,793 ounces from the 1943 total. The value of 1944 production was £103,128,716 as compared with £107,520,176 in the previous year. Since 1941, when a wartime peak production of 14,386,361 ounces was reached, there has been a steady decline in output, due to many disabilities imposed by wartime conditions.

Turkey

EXTENSION OF HOSPITAL FACILITIES

Turkey's hospital facilities will be enlarged greatly if a bill reported in January to come under consideration by the Grand National Assembly is enacted into law. The entire hospital program is expected to cost about £T150,000,000 (approximately Canadian \$126,923,060). Of this amount, £T32,000,000 (approximately Canadian \$27,076,885) probably will be used for the erection of a new medical unit at Ankara to consist of a medical school, hospital and dormitory for students.

The proposed program includes the construction of 39 general hospitals, three asylums, three tuberculosis sanatoria, two tuberculosis hospitals, 16 maternity hospitals, 10 trachoma hospitals, seven hospitals for infectious diseases and six children's hospitals.

TRADE REGULATIONS AND TARIFF CHANGES

Belgian Congo

IMPORTS RESTRICTED

Mr. H. L. Brown, Canadian Trade Commissioner at Johannesburg, writes under date March 2 that the authorities in the Belgian Congo have given notice to importers there that importations must be confined to essential goods in order to economize in the use of available foreign exchange for the benefit of the rehabilitation of Belgium.

The authorities have not specifically prohibited the importation of any goods, but have advised that those that will be permitted to be imported are food, clothing and equipment for industry, transport and plantations. The importation of alcoholic beverages and fancy articles, for example, will not be permitted or will be limited.

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 109, effective April 9, 1945, the exemption of plywood and veneers from export permit requirements is modified, so that an export permit will be

required for plywood and veneers when shipped to any destination other than the United Kingdom.

By Export Permit Branch Order No. 110, effective immediately and during the period ending April 30, 1945, table stock potatoes are exempted from the requirement of an export permit when shipped to the United States from the Port of Windsor and all ports of exit east of Windsor, including Sarnia.

By Export Permit Branch Order No. 111, effective April 12, 1945, the Export Permit Regulations are amended as follows:—

1. The exemption of pine pitch, burgundy pitch and pine tar from export permit requirement is modified and limited to shipments thereof valued at \$25 or less consigned to parts of the British Empire or the United States.

2. Group 7 of the schedule of commodities is amended by the deletion therefrom of the item petroleum coke, so that an export permit will no longer be required therefor, except as provided by Clause 5 of the Export Permit Regulations.

TRADING WITH THE ENEMY

List of Specified Persons

A new consolidation of the List of Specified Persons has just been published and is on sale to the public on application to the King's Printer, Ottawa. This consolidation is based on revisions made to the list as published from time to time in the *Canada Gazette*. In addition to the original list, fifty-six revisions have been issued since the beginning of 1940.

The List of Specified Persons now stands at 14,844, a decrease of 631 names since the previous consolidation. A decrease is apparent particularly in the listings for the Western Hemis-

sphere,, notably Brazil, Chile, Colombia, Ecuador, Mexico, and Nicaragua.

The list is published for the use of Canadian businessmen who deal in export trade and it is in their interest to consult this list, since it contains the names of persons who, although not resident or carrying on business in enemy territory or in territory in occupation of the enemy are, by reason of their enemy nationality or enemy occupation, persons with whom trading is prohibited under the Revised Regulations Respecting Trading with the Enemy (1943). These regulations are administered by the Custodian's Office in the Department of the Secretary of State of Canada.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 9, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, April 9, 1945, and for the week ending Monday, April 2, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 2	Nominal Quotations in Montreal Week ending April 9	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2757	.3304 .2764	3½
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3·4½
Colombia	Peso	.9733	.6358	.6358	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6016	.7307 .6022	—
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½

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C. M. CROFT, *Director*

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337
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South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office.)

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London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

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London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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333

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TABLE OF CONTENTS

	Page
Argentina as a Market	
I. People, Resources and Production	333
United Kingdom Post-war Housing Program	340
Merseyside Shipping Position	341
Business Conditions in the Rhodesias	343
Restrictions on the Sale of Canned Fish from the 1945 United States Pack	345
Economic, Trade and Production Notes	346
Agricultural Mechanization in the United Kingdom	348
Foreign Exchange Quotations	349
Condensed List of Publications	350
Commercial Intelligence Service	351

ARGENTINA AS A MARKET

By J. A. STRONG, *Commercial Attaché, Canadian Legation at Buenos Aires*

I. PEOPLE, RESOURCES AND PRODUCTION

The Republic of Argentina covers an area approximately equivalent to 40 per cent of the area of Canada. From north to south, it extends from the sub-tropical citrus, cotton and sugar lands bordering on Bolivia and Paraguay to the Antarctic lands of Patagonia over 2,000 miles to the south; and, from west to east, from the great range of the Andes Mountains to the Atlantic Ocean.

Natural Resources

The main characteristic of the terrain is the great plains or pampas of central Argentina. These plains represent probably the greatest single extension of fertile land in the world, covering an area of approximately 150 million acres. This area is perfectly

flat throughout and treeless except for the planted groves. This rich farm land is held in great extensions by a comparatively few wealthy landowners.

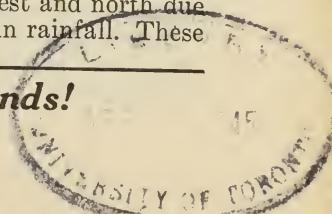
One-third of this area is normally in grain crops, such as wheat, corn, flaxseed, sunflower, barley and oats, and 90 million acres is in improved pasture land and another 10 million in alfalfa, which together support some 23 million cattle and 18 million sheep. This great zone is the main source of the primary economic wealth of Argentina.

Patagonia is semi-arid and a great sheep country. The fertile pampas extend to the Atlantic Ocean on the east but merge gradually into semi-arid and desert lands on the west and north due to an abrupt decline in rainfall. These

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15



semi-arid lands support cattle and sheep, but irrigation is resorted to in specializing farming zones beyond, such as the Rio Negro valley in northern Patagonia, which produces apples and is much like the Okanagan Valley, in the area around Mendoza in the foothills of the Andes where fruit and grapes are grown, and in the northern Tucuman and Salta zones which produce sugar and citrus and for rice in Misiones.

The forest resources of Argentina are not extensive. The quebracho forests are in the north. This is a valuable hardwood from which a tanning extract is made that goes all over the world wherever there is a leather-tanning industry. It is also used for fuel, railroad ties and paving blocks. There are also sub-tropical hardwood forests in the far north and the foothills of the Andes are wooded, but there are few large stands of commercial timber.

The mineral resources of Argentina have not been exploited except for one lead mine and some tin on the border of Bolivia.

Hence the wealth of Argentina is based primarily on farming and industrial production designed to meet the needs in consumer goods of the population.

Climate

Argentina has a highly diversified climate. Buenos Aires is situated at the delta of the navigable Parana River where it joins the Rio de la Plata and is the commercial centre for the great and fertile zone comprising the pampas. It never snows in this zone. There are frequently several degrees of frost experienced during the winter months from May to September and it is hot and humid at times during the summer; but there is a high percentage of sunny days throughout the year. Golf and tennis are winter rather than summer games in Buenos Aires. It is this temperate climate, combined with an ample and normally well-distributed rainfall plus a fertile soil, that makes the pampas productive for agriculture.

The climate is sub-tropical in the north and in winter cold and windy in Patagonia.

Population

Argentina has a population estimated at 13,709,238 in 1942. The federal capital, or Buenos Aires proper, has 2,457,000 inhabitants and another million live in the suburbs surrounding Buenos Aires. Rosario, the great grain port and the second city of the country, has more than 800,000 inhabitants and is only 200 miles up the navigable Parana River from Buenos Aires. Rosario is commercially dependent on Buenos Aires.

Buenos Aires.—Buenos Aires is the political, commercial, industrial and financial capital of Argentina. This city receives and distributes 85 per cent of all the imported goods that arrive in Argentina and probably 80 to 90 per cent of all the commercial and financial transactions in Argentina are centred directly or controlled by firms in Buenos Aires. The manufacturing industries are almost all located within the urban area of Buenos Aires.

The federal government departments, the banking institutions, shipping firms, railways, exporting and importing firms, the main security and grain exchanges, the department stores with outside branches are all in Buenos Aires. The wealthy farm landowners have their homes in Buenos Aires. There can be few countries where the economic activity is so highly centralized in a single city as it is in Buenos Aires.

Buenos Aires shows all the outward aspects, including the downtown skyline, of the most modern cities of North America or Europe. The architecture and the atmosphere generally show the influence of Europe. Buenos Aires has probably more modern residential apartment buildings than any city of comparable size in any other country. It has a fine system of subways. There are first-class hotels and nothing is lacking in ordinary consumer goods for the shopper from Canada.

Lightweight clothing is advisable for visitors from November to March and a fall-weight overcoat is needed from May to September. The apartment houses and newer homes have central heating systems and many of the more

modern apartment houses and office buildings are air-conditioned. Rents and clothing are high, but the food is excellent, abundant and comparatively cheap. Buenos Aires is nevertheless one of the expensive cities for permanent foreign residents.

SOURCES AND GROWTH

The Argentine people are essentially the product of mass immigration from southern Europe over the past sixty years. Argentina received 2,400,000 immigrants, mostly from Spain and Italy, between 1885 and 1910. Another 870,000 immigrants came mostly again from Italy and Spain during the 'twenties. The population increased from 2,797,000 in 1895 to 7,948,000 in 1914 and to 11,453,000 in 1930.

Argentina secured her political independence from Spain in the early years of the last century. It was a "palace revolution" at the outset rather than a movement of the masses, for freedom and independence were followed by long decades marked by internal struggles among the upper class for political power. The native Indians were killed off in wars of extermination. Negro slavery really never existed, as there were no plantations to work and so the population remains white to-day.

There were no markets abroad for the products of the soil and the farm land had been divided into large holdings and given out to political friends of the regimes in power before the immigrants began to arrive in 1880. Modern methods of refrigeration for meats were invented about 1880 and thus began the era of agricultural development and rising land values which continued with only minor and temporary interruptions until the major depression of 1931.

The population to-day is therefore white and comprises the descendants of the old Spanish colonial landowning families, who form the ruling oligarchy that has governed the country, and the great mass of immigrants from Spain and Italy and their descendants born and educated in this country under a

system of free education. This latter group are the tenant farmers, factory workers, domestic servants, railway employees, civil servants, retail merchants and, in the present generation, the engineers, doctors and lawyers. The farm land is still owned by the old families and the newly rich from trade and by corporations.

The manufacturing industries and wholesale import trade are largely in the hands of foreigners, English, Americans, Germans, French, Scandinavians and Spaniards or Italians, direct from Europe. The immigrants quickly became assimilated, all speak Spanish, and now tend to be nationalistic and are bent on taking over control of the economy of the country.

National Income

The national income of Argentina was estimated at the equivalent of \$3,606 million or \$266.34 per capita in 1941. This figure, without making any allowances for differences in methods of compilation, may be compared with \$475 per capita for Canada in 1940.

However, a figure of this kind does not give the complete picture of Argentine conditions. The great urban population of Buenos Aires enjoys a higher standard of living than the share-cropper farmers, the rural workers such as on the sugar plantations and those working in mills in interior towns. Further, Argentina has a mild climate, so that the minimum needs in clothing and fuel are comparatively low. Food is cheap and abundant.

Nevertheless, the mass of the population does not enjoy a standard of living that includes a motor car, as in North America. Money wages and salaries are low by the latter's standards. The middle-class income group still represents a comparatively small percentage of the population and there is a correspondingly limited demand for quality imported goods that come within the semi-luxury group.

Following are figures of the 1941 estimate of national income by major headings:—

Producing industries, total	\$1,717,828,666
Live-stock raising and other	
agriculture	870,704,664
Manufacturing	589,906,000
Forestry	40,395,000
Mining	21,299,332
Construction	35,216,666
Electricity and gas	44,307,000
Fishery, furs, etc.	32,666,000
Amortization for mining, etc..	83,333,330
Distribution, total	970,420,995
Communications	192,826,662
Commerce	777,594,333
Services, total	917,952,333
Government	563,066,665
Finance	65,775,336
Urban real estate	234,298,332
Liberal professions	54,812,000
	\$3,606,201,994

It will be noted that, according to this estimate, 50 per cent of the national income from primary production is derived from agriculture and approximately one-third comes from the manufacturing industries of the country.

The Argentine Economy

Argentina is one of the most important of the surplus food-producing countries. Beef, mutton, pork, wheat, corn, flour, hides, wool, fruit, and vegetable oils, besides all the by-products of the local packing house and milling industries, are produced in quantities far beyond the home-consumption needs of the country. Nevertheless, agriculture and live-stock raising, being large-scale enterprises, give direct employment to a percentage of the population which is small in relation to the importance of these industries in export trade or in the economy as a whole of the country.

The manufacturing industries have evolved on the basis of supplying the ordinary consumer needs of a large and growing urban population highly concentrated in Buenos Aires rather than for the purpose of catering to export markets. The tanning and leather-goods industries, based on domestic hides, supply the boots and shoes and other leather goods consumed; the cotton- and woollen-textile industries, based on home-grown cotton and local wool, supply a large proportion of the local needs in the ordinary qualities, and the wearing-apparel industry has long had a monopoly of the local trade; the brewing industry draws its supplies of malting barley from local sources and the wine industry depends exclusively on the local vineyards. The furniture-manufacturing industry supplies all the local demand, but uses largely imported woods. These are the principal manufacturing industries that have been long established in this country.

It was not until the crisis of the early thirties, when low prices and declining foreign markets for food-stuffs made it impossible for this country to pay for all the needs in consumer goods from abroad, that local manufacturing industries received their first great impetus. The present war has led to a further great expansion. The net production of the local manufacturing industries has more than doubled since 1935.

Primary Production

Argentina exported \$645 million worth of farm products in 1944. The country's farms supply approximately

Estimated Value of Argentine Production*

	Crops		Gross Production				Net Production	
	Home	Exports	Live-stock	Total	Total	Farm	Industry	
			Home	Exports	Agriculture	Industry		
			Figures		in Millions of Dollars			
1935	299	318	172	178	967	1,110	717	433
1937	270	496	208	242	1,216	1,492	950	517
1939	345	255	204	229	1,033	1,610	800	583
1940	318	199	217	233	967	1,683	733	617
1941	484	116	214	303	1,117	2,033	833	700
1942	454	129	222	361	1,166	2,333	900	883
1943	367	166	199	384	1,116	2,600	866	900

* Argentine Central Bank: March, 1944.

82 per cent of all the commodities exported from this country.

LIVE-STOCK RAISING

Live-stock breeding and dairying are large-scale enterprises in Argentina. Cattle and sheep are grazed and finished outdoors the year round on the great central plains of Argentina, mostly on alfalfa, with only a supplementary forage ration at times in certain zones and in particular seasons when weather conditions are adverse. Grain is essentially a cash crop.

The average live-stock-raising establishment has probably 10,000 acres and many are much larger. The herds are for the most part of almost pure strains of the well-known beef and dairy breeds.

The following figures of live-stock population indicate the position of Argentina as a live-stock producer as compared with Canada and Australia:—

	Argentina 1942	Canada 1943	Australia 1943
Cattle	31,459,500	9,665,000	14,010,000
Sheep	50,902,430	3,459,000	125,000,000
Pigs	5,707,165	9,473,000	1,560,000
Goats	2,837,989	n.a.	n.a.

Live-stock slaughterings in 1938 and 1939 and the two war years, 1942 and 1943, with the quantities for export shown within parentheses, were as follows:—

Cattle.—1938, 7,069,397 (2,207,137); 1939, 7,455,578 (2,527,788); 1942, 7,137,745 (2,647,320); 1943, 6,697,921 (2,278,913).

Sheep.—1938, 7,838,557 (4,192,470); 1939, 7,682,083 (3,945,859); 1942, 10,-227,731 (6,515,874); 1943, 11,900,370 (8,658,154).

Hogs.—1938, 1,244,737 (347,733); 1939, 1,156,497 (250,836); 1942, 2,391,-546 (905,830); 1943, 3,500,292 (1,557,-537).

Slaughterings of sheep and hogs, it will be noted, were sharply higher in the two war years. In the case of sheep the increases were entirely accounted for by larger quantities for export; in that of hogs, slaughterings for export and home consumption both showed marked increases.

There was an increase of 43 per cent in the live-weight price paid to Argentine producers for export-grade steers as between the average for 1939 and the average price paid in July, 1944.

The meat packing plants are some 85 per cent foreign-owned.

Argentina exported 1,734,047,000 pounds of meats in 1944, the greater part going to the United Kingdom. Total meat exports in the previous six years, with weights in thousands of pounds and values in thousands of Canadian dollars were: 1938, 1,409,261 lbs. (\$105,154); 1939, 1,475,747 lbs. (\$110,963); 1940, 1,240,657 lbs. (\$102,-612); 1941, 1,404,705 lbs. (\$128,883); 1942, 1,535,862 lbs (\$185,677); 1943, 1,446,533 lbs. (\$197,217).

GRAIN PRODUCTION

The Argentine farmer produces grain essentially as a cash crop rather than for the purpose of feeding live stock on his farm. The grain is exported in

Argentine Grain Exports

	1938	1939	1942	1943
Figures in Thousands				
Wheat, bu.	71,211	174,365	79,953	71,804
Corn, bu.	103,836	125,829	8,655	7,496
Flax, bu.	49,720	46,582	12,405	25,452
Oats, bu.	24,740	23,332	3,826	878
Barley, bu.	9,701	11,919	3,464	1,698
Rye, bu.	205	7,671	160	281
Birdseed, cwt.	172	151	178	94
Other, cwt.	311	753	31	3
Total, cwt.	142,297	219,571	62,043	63,920
Value, Can.\$000	195,000	230,000	76,000	114,000
Wheat flour, bbl.	945	1,110	671	956
Bran and shorts, cwt.	6,241	6,404	163	240
Other mill products, cwt.	2,308	2,208	110	109
Oil seeds, cwt.	536	1,017	1,606	1,044
Oil cake, cwt.	2,500	2,489	1,429	911
Vegetable oil residues, cwt.	1,079	890	712	369
Vegetable oils, cwt.	2	37	2,904	2,232

normal times, apart from the home consumption needs in wheat.

The following figures show the total crop areas and production during the ten years 1934-35 to 1943-44:—

	1,000 Acres	1,000 Bushels
Average 1934-39	48,722	688,126
1939-40	51,088	681,685
1940-41	49,095	846,312
1941-42	45,291	694,463
1942-43	43,782	431,686
1943-44	45,990	n.a.

Argentina has large surpluses of grain for export each year. The importance of grain in the export trade of Argentina is reflected in the accompanying table.

DAIRYING

The dairying industry has not been developed on a scale to make dairy products rank in importance with meats in the export trade of Argentina. There are large herds, of such dairy breeds as Holstein Friesian, providing whole milk to the large urban centres, and certain zones in the country specialize in producing milk for butter and cheese-making but otherwise dairying is subsidiary to beef production.

The following figures of Argentine production and exports (shown within parentheses) of butter, cheese and casein in the four years 1938-39 to 1941-42 indicate the position of the dairying industry:—

Butter.—1938-39, 34,622 short tons (8,829); 1939-40, 39,854 (14,667); 1940-41, 43,918 (17,195); 1941-42, 48,158 short tons (15,911).

Cheese.—1938-39, 54,296 short tons (2,409); 1939-40, 57,054 (3,459); 1940-41, 63,654 (12,509); 1941-42, 73,983 short tons (9,457).

Casein.—1938-39, 17,873 short tons (17,499); 1939-40, 21,377 (25,773); 1940-41, 25,191 (30,615); 1941-42, 29,112 short tons (27,198).

OTHER AGRICULTURAL OUTPUT

Argentina grows her domestic requirements in cotton fibre; her vineyards produce the grapes for the local wine-making industry; the Río Negro valley produces the same varieties of

apples as British Columbia for home consumption and for export; and there are peaches, pears, citrus fruits and practically all other varieties of small fruits as well as vegetables, including potatoes in abundance, from various zones of the country. Apart from fresh apples, pears and grapes, this production is not an important factor in export trade.

FORESTS AND MINES

Argentina has limited forest resources available for commercial exploitation. The consumption needs in softwoods, except boxwood, have to be imported from abroad. A tanning extract is produced, however, in large quantities from the local quebracho tree and this is an important item of export.

The mining industry is largely confined to the production of lead and some zinc and tin. Tungsten is important for export, but otherwise mining does not play an important part in the local economy.

Secondary Production

The expansion of the secondary industries in Argentina is reflected in the accompanying table, which shows the value of industrial output and the number of workmen employed in 1935 as compared with 1941.

FOREIGN CAPITAL

Foreign capital played an important role in the early economic development of Argentina. Great Britain provided most of the capital to build the steam railways, the street railways, the waterworks and port works and the other public utilities. There is an estimated \$3,000 million of foreign capital invested in Argentina.

Sterling investments represent nearly two-thirds of this figure and 60 per cent of it is in steam railways. Street railways, banks, meat-packing plants, insurance, land, trade and industry are represented in the remainder, as well as the public-debt holdings of this country, although the latter have been

Argentine Secondary Production

	Value 1935 \$'000	Output 1941 \$'000	Workmen 1935	Employed 1941
Foodstuffs and beverages	1,191,305	2,027,691	95,936	138,350
Textiles and manufactures	476,695	852,114	71,592	103,638
Forest products and manufactures.....	81,570	190,472	25,425	48,128
Printing and publishing	119,187	185,948	17,894	22,962
Chemicals and pharmaceuticals	124,800	272,784	11,709	20,342
Rubber manufactures	25,519	69,088	3,101	8,466
Leather and manufactures	88,018	181,435	16,924	23,644
Glass and ceramics	65,293	141,035	13,721	26,582
Metals mfrs. exc. machinery.....	178,269	405,370	34,593	56,784
Machinery and vehicles	204,188	379,888	40,224	65,705
Electric power	192,886	285,167	9,744	12,936
Building construction	112,175	241,630	28,655	50,719
Mining and petroleum	65,295	104,798	11,655	21,870
Various	85,938	183,203	31,204	60,173
Total	3,011,138	5,520,623	402,377	660,299

reduced to an almost nominal amount through repatriation since 1939. There is a large British-Dutch investment in petroleum production and refining facilities in Argentina. These British investments give a return of between \$50 and \$60 million annually.

American capital was invested in the large local meat-packing plants before the last war. The meat-packing capacity is almost equally British- and American-owned to-day and represents an aggregate investment of nearly \$100 million. An American firm operates the telephone system in Buenos Aires and in several other urban centres and there are important American investments in electric-power plants. There are many American firms with industrial plants in Argentina such as rubber goods, petroleum refining, paints and varnishes, pharmaceuticals and medicines, vegetable-oil extraction, cotton ginning, radio manufacturing, steel, glass, batteries, etc., as well as assembly plants for automobiles, trucks and farm machinery. There are many American firms with their own selling organizations in Argentina.

There is French capital invested in railways, banks and industrial firms. A Belgian group has a large investment in electric-power facilities, tramways and subways in Buenos Aires. German capital has been invested largely in industry, mainly drugs, medicines, steel and in merchandising enterprises and contracting firms.

Canadian investments are in insurance, banking, alcohol, and in assembly plants.

SERVICE OF EXTERNAL DEBT

Argentina has to provide the equivalent of \$140 to \$150 million dollars annually to meet the financial services on the external public debt and the private financial services. Foreign control of the various enterprises, such as railways, telephones, electric-power plants, meat-packing establishments, has an important influence on the origin of goods imported into Argentina.

Start of Paper Making

The Chinese were the first to discover a practical method of paper making by the weaving of fibres. They made paper first on coarsely woven cloth moulds and later with moulds of thin, parallel bamboo strips, held in place by silk threads. The Arabs of Samarkand acquired the art from the Chinese, and they were followed by the Persians. The Moors introduced it into Europe in the 12th century via Spain, whence it was carried into Italy, France, the Netherlands and Germany. Paper making was begun in England in 1492, but apparently died out until reintroduced nearly a hundred years later. It did not become firmly established there, however, until the closing years of the 17th century.

UNITED KINGDOM POST-WAR HOUSING PROGRAM

By J. A. LANGLEY, *Canadian Trade Commissioner at London*

The United Kingdom Ministry of Reconstruction has published a White Paper outlining the Government's plans to cope with the housing shortage which has developed during the war. There has been some confusion in respect of housing policies and the information now available should be of guidance to firms and persons in Canada who are interested.

It is stated that the ultimate aim is to provide 1,250,000 houses. Of these, 750,000 are needed to afford a separate dwelling for every family which wishes to have one, and 500,000 are required for the completion of slum clearance and overcrowding programs which were already in progress before the war.

The long-term objective is to secure a progressive improvement in standards, both of accommodation and equipment, by a continuous process of new building.

Emergency Period

The Government propose to treat the first two years after the end of hostilities in Europe as a period of national emergency, when exceptional measures must be taken to meet the housing shortage. Wherever possible these measures will be put into effect before the end of the war in Europe. The primary purpose of the Government is to produce the largest practicable number of separate dwellings in this emergency period.

Building labour will be increased to 800,000 men by the end of the first year after the European war through releases from the forces and apprentice and adult training. Increases thereafter, it is hoped, will go beyond the pre-war figure of 1,000,000 men. At present the building labour force has shrunk to 337,000. New methods of construction which economize in labour, by standardization and by the use of labour and industrial capacity normally outside the building industry, will be extensively employed. The repair of war-damaged houses has

always received the highest priority and a special survey is being made by the War Damage Commission with a view to framing a program of repair.

Permanent Houses

The Government's target is 300,000 permanent houses built or being built by the end of the second year after the end of the war in Europe. It is hoped that by that time 220,000 will be completed and 80,000 in varying stages of construction. If more houses can be built, they will be built.

Prefabrication and other non-traditional forms of construction, which make a smaller call on building labour than the traditional methods, will be used to the fullest possible extent in the building of permanent houses during the emergency period while building labour is scarce. Firms and local authorities are now being invited to co-operate in the erection of experimental houses in groups of 50 or more, employing various non-traditional methods of construction.

Temporary Houses

The Government have been authorized by legislation to spend up to £150,000,000 on the provision of temporary houses. These, it is pointed out, are costly because of their short lives. They are sub-standard in accommodation, though not in equipment. These considerations, however, have been outweighed by the opportunity which temporary houses afford to bridge part of the gap between the practicable program of permanent house construction in the first two years after the end of the German war and the housing needs of the country.

The early experimental work on temporary houses was carried out in terms of a pressed-steel house, on the assumption that the manufacturing capacity would become available for this work by the end of 1944. Changes in the munitions program postponed the availability of this capacity, but,

in view of the seriousness of the housing shortage, the Government decided in September, 1944, that a start should be made at once with the manufacture of temporary houses. Attention was concentrated therefore on other types of temporary houses, using such materials as wood, concrete and asbestos cement, and production commenced on a number of these types.

The United States Government have declared their readiness to send some 30,000 temporary houses on lend-lease terms for erection in areas of war damage. Delivery of a considerable proportion of these houses is expected in the latter part of 1945.

The Government intend to press forward during the current year with the manufacture of temporary houses to the fullest possible extent. The length of time for which production will be continued thereafter will depend on the speed attained in the production of permanent houses. The primary objective of the Government will be the provision of the maximum number of dwellings, permanent and temporary, in the emergency period. In any event the production of temporary houses will continue long enough to meet the allocations which have been made to local authorities, namely 145,000.

Production of Materials and Fittings

Arrangements are being made to ensure that the production of the various materials and fittings required for the housing program, both permanent and temporary, is so timed that so far as possible progress will not be impeded by shortage of any essential parts.

Action under this head is being facilitated by the standardization of

materials and fittings. As the war situation permits, manufacturers will be enabled to put these standard articles into production without waiting for specific orders. They will be assured by the Government, if necessary, of a market for their products.

Price Control

There was a serious rise in building costs after the last war because demand far exceeded the capacity of the building industry. In order to check such a tendency this time the Government will control the volume of contracts let by local authorities, the building and repair work done on private account, and the price of materials and fittings.

Subsidies

The Government recognize that subsidies will be needed while building costs are abnormally high as a consequence of the war; and they propose to provide this assistance for house-building both by local authorities and by private enterprise.

The Government are now discussing with the representatives of local authorities the amount of the subsidy to be paid. Legislation will be introduced as soon as reliable information is available about the probable level of building costs in the emergency period. Provision will be included in this legislation for the payment of the subsidy in respect of houses begun before the legislation is passed.

The Government propose to give a subsidy in respect of privately constructed houses of substantially the same size as those to be built by local authorities.

MERSEYSIDE SHIPPING POSITION

By A. E. BRYAN, *Canadian Trade Commissioner at Liverpool*

The problems facing Merseyside shipowners when they again have to meet world trade competition are set forth in the annual report of the Liverpool Steam Ship Owners' Association for 1944. The report deals with the reduction in fleets, the difficulty of replacing ships lost or worn out, and

other handicaps imposed by the years of war.

Indicative of the losses occasioned by the war in ships of the liner type, deep-sea and coasting (which represent almost the whole of the tonnage in the records of the association), it is stated that the gross tonnage recorded at

January 1, 1939, was 4,511,300 tons, whereas now it stands at 2,706,900 tons, which is 6,700 tons better than in 1944. Members of the association are thus faced with the problem of replacing nearly 2,000,000 gross tons.

Overseas Trade Must be Restored

The back of the U-boat campaign was broken when, in the spring of 1943, the convoys were first afforded adequate protection. "The enemy has by no means abandoned his efforts," says the report, "and is not likely to do so as long as the war lasts; but, however long it lasts, there is every reason to believe that his peak of achievement has passed and cannot be reached again."

Discussing the White Paper giving statistics of the war effort in the United Kingdom, the report says this shows that post-war restoration of overseas trade will require all Britain's industrial skill, concentration and effort. In the decade before the war there were already disquieting signs of failure to balance the overseas trading account; the changed position between the two wars was both striking and alarming, and the task was urgent, quite apart from the effects of the present war.

It is shown in the White Paper that, for example, imports of dry cargo, which averaged 55,000,000 tons before the war, had been cut by over half in 1943, and in the first half of 1944 imports of both food and raw materials were halved, while those of finished goods were confined almost exclusively to munitions.

Since 1941 lend-lease and mutual aid by the States and Canada had left the United Kingdom free to sacrifice her export trade in the common war interest. When allowance is made for price differences, exports in 1943 were in quantity 71 per cent below those of 1938, which was by no means a good year. Over two-thirds of Britain's pre-war visible export trade had gone. By 1943 her coal export trade had virtually ceased. With regard to invisible exports, the report says that British overseas investments have largely been

liquidated, and shipping can have contributed little in this sphere.

After the war Great Britain cannot expect to be maintained by others on lend-lease principles. Her overseas buyers will look elsewhere for what they want unless her selling prices are attractive. The task to be faced in restoring the mercantile marine was indicated by figures in the White Paper, which showed that the total gross tonnage of vessels under the British flag (including Dominion-registered ships) was about 21,000,000, and that from the outbreak of war to the end of 1943 losses from all causes totalled 11,500,000 tons.

Liner Losses

It was stated that the production of 4,500,000 tons of new building largely met the losses in ocean-going British ships (vessels of 1,000 gross tons and upwards), which totalled 17,500,000 tons at the outbreak of war, and that the tonnage of such ships at the end of 1943 amounted to 13,500,000, after making allowance for ships returnable in due course to other flags. Ships of the liner class of 1,000 tons and upwards registered in the United Kingdom totalled about 9,500,000 gross tons; approximately half that tonnage had been lost, and only a comparatively small part of the 4,500,000 tons of new building referred to such tonnage.

No passenger-ship building has been permitted until now, and relatively little cargo-liner building. The bulk of the 4,500,000 tons will consist of the standard tramp type. "It is a reasonably accurate assumption," the report comments, "that the lines will be faced with the task of doubling the tonnage in their hands at the end of the war with Germany, if pre-war parity is to be attained."

Losses Total 50 Per Cent

Activities on the Stock Exchange during the past year or so have apparently led to a belief in some quarters that liner companies had done well out of the war, but this is quite unfounded. They had lost half their ships, been

paid for losses largely in cash, and had had only negligible opportunity to spend the money on replacement. If conditions prove unfavourable, their present apparent wealth would prove a financial disaster for them; if they are favourable, these companies would in five years be left with fleets smaller in number and total tonnage than in 1939 but of much the same carrying capacity. Further building would depend on the future prosperity of the industry.

The short sea lines, which have been diverted to other service, will emerge with half their pre-war tonnage lost and much of what remains requiring replacement owing to age. They are faced with building costs fully double the immediate pre-war figures. The coasting trade has to meet much the same problem, although its losses have been lighter, and it is concerned about the effect on its competitive position of high operating costs. It feels that its share of dock labour scheme costs should be based on what the trade can bear.

Losses by Theft and Pilferage

While there has been improvement in the methods of cargo packing and stowage at North American ports, losses by theft and pilfering continue to be deplorably heavy. A special committee dealing with the matter is satisfied that there is not only systematic pilfering by individuals but

also "pilferage of so wholesale a character as to make it clear that there is an elaborate organization engaged in the traffic." "The committee are also satisfied," proceeds the report, "that theft and pilferage is by no means confined to dock and other workers on this side of the Atlantic. There is clear evidence that many packages are broached during loading operations. It is hoped that very shortly Cargo Losses and Damage Committees will be set up in the principal loading ports in Canada and the United States, and that their activities will result in a reduction in the losses attributable both to faulty packing and stowage and to theft and pilferage."

The association has set up such a committee, which has considered exceptionally heavy losses by theft and pilferage. The goods principally concerned were artificial silks, linen and other materials, wearing apparel of all kinds, and beer, stout, spirits and tobacco. There were instances in which check-weighing had revealed abstraction of goods at the time of packing or broaching during carriage to the loading berth. As regards losses on the docks or ships, in a large number of cases complete packages have disappeared. At the close of the year negotiations were proceeding for the employment of special police at the loading berths, initially at Birkenhead, and thereafter, it was hoped, at Liverpool and Bootle docks.

BUSINESS CONDITIONS IN THE RHODESIAS

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

Southern Rhodesia

General business has been well maintained, both wholesale and retail, in view of prevailing conditions. Christmas sales indicated increased retail turnover in comparison with preceding war years, but the increased sales volume is probably accounted for more by higher price levels than by actual sales volume. Merchant stocks have been improved by some shipments from overseas, together with release by the

Government of war stocks. Industry continues to operate at a satisfactory level of activity.

Industrial Development Commission

By a recent Act of Parliament the Industrial Development Commission has been instituted somewhat along the lines of the Industrial Development Corporation in South Africa, but based on the work of an Industrial Committee in Southern Rhodesia during recent years.

The main objects of the Industrial Development Commission are the general promotion and co-ordination of industrial resources within Southern Rhodesia by making available such financial and other assistance as may be necessary for expansion and modernization. The activities of the Commission are to be directed to granting aid to industrialists for the development of new or existing undertakings and, in principle, it is not the intention of the Commission to initiate new enterprises nor to provide any undue proportion of the capital in any particular new venture.

Mining

Gold production in 1944 totalled 592,729 fine ounces valued at £4,978,-922 as compared with the 1943 figures of 656,684 fine ounces valued at £5,-516,146. Base minerals were produced in 1944 to the value of £3,443,539, which represented a very modest improvement over the 1943 value of £3,347,895.

Farming

Dry weather during December adversely affected most of the standing crops and modest rains early in the New Year did not improve the rather gloomy prospect of the current agricultural season. The tobacco yield is not expected to exceed that of last year despite the larger area under cultivation and the more abundant use of fertilizer; the harvest is expected to be about 35,000,000 pounds. Live stock in the principal areas continue in fair condition and prices are firm but offerings are limited.

Final figures are now available for the 1943-44 season, which showed a marked improvement over the previous one as a result of good rains throughout the Colony in November, 1943. Had it not been for an abnormally wet spell in February, 1944, and the complete cessation of rain early in March, record crops would have been reaped in most districts.

Special features of this past season were reduction in the corn acreage, im-

proved yields per acre for corn, peanuts, potatoes and tobacco, a large increase in the acreage of green manure crops and a record yield in the Hartley district. The production of corn in 1943-44 was 1,673,459 bags or approximately 5,856,000 bushels, which is the largest crop reaped for seven years although the area was considerably less than in the previous season. The yield of flue-cured Virginia tobacco was 31,365,667 pounds (wet or green weight) from an area of 60,543 acres. The production of fire-cured Virginia was 738,071 pounds.

The crop of peanuts was 74,493 bags, the largest in ten years and the yield was 11.1 bags per acre (a bag of peanuts weighs 65 pounds). The summer acreage under potatoes increased slightly and the total crop of 109,361 bags was the largest summer crop ever reaped and the yield of 43.5 bags per acre was also a record.

Under the stimulus of the Maize Bonus Scheme the total area planted to green manure crops increased from 66,529 acres in 1942-43 to the record of 88,968 acres. The green manure crops include Sunn hemp, 58,829 acres; velvet beans, 8,120 acres; cow peas or kaffir beans, 6,603 acres; sunflowers, 11,700 acres, and Munga and Rapoka, 1,742 acres. This does not include 14,654 acres planted in corn for ensilage and fodder, from which was reaped 47,675 tons. The quantity of compost made on farms increased from 328,591 cubic yards in the previous season to 342,106 cubic yards in 1943-44.

Cost of Living

On the basis of August, 1939, equals 100, the cost-of-living index, with seasonal movement removed, stood at 123.4 in December, 1944, and this represented a substantial drop from the August and September figures of 127 plus. The monthly average throughout the year was 123.7.

Northern Rhodesia

General business in both the white trade and the native trade has been

steady and commercial turnovers have been maintained at a level satisfactory under wartime conditions. Stocks of merchandise have on the whole shown improvement during recent months.

Copper Mining

During the session of the Legislative Council early in 1945, the copper question figured prominently. Anticipating a further reduction in copper production, the Government felt it wise to budget for a deficit in 1945 and provision has been made for £200,000 to be taken from reserve funds to meet this anticipated deficit. The problem of balancing the budget had not occurred previously in the war years but government financing must take into account the effect of a gradual decrease in mineral output which actually commenced in 1944. The primary occupation of Northern Rhodesia is the mining of copper and in fact the whole economic structure of the country, as developed during the past 15 years or so, is mainly dependent on copper.

Any drastic reduction in copper production in Northern Rhodesia is likely to have its effects in Southern Rhodesia, because the copper from the north provides a basic freight for much of the railway system running through the two countries.

Mining will continue at the same rate of production for the first quarter of 1945 and subsequent developments depend on discussions in London.

Agriculture

Rainfall has been very poor but late rains give reason to believe that the corn crop may exceed that of last year and that the production of Turkish tobacco will be satisfactory.

Live stock continues to be satisfactory in condition and slaughter animals are in good demand at controlled prices, although supplies offered fall short of local requirements and supplementary importations of frozen meat continue to be received from Southern Rhodesia.

RESTRICTIONS ON THE SALE OF CANNED FISH FROM THE 1945 UNITED STATES PACK

By L. H. AUSMAN, *Assistant Trade Commissioner at New York*

By Amendment No. 2 to War Food Order No. 44, United States canners were required to set aside a percentage of their 1944 pack for government account. Amendment No. 8 to this Order, effective April 1, 1945, and applicable to the 1945 pack, establishes an over-all quota of 80 per cent of each canner's pack of salmon, pilchards, Atlantic sea herring and Atlantic and Pacific mackerel to be delivered to the Government during the period April 1, 1945, to March 31, 1946.

Increased government, military and war needs for canned fish are the reasons given by the War Food Ad-

ministration for the higher percentage requirements this season.

The entire United States production of canned fish during the 1945-46 pack year is estimated at 676,000,000 pounds. Of this amount, 545,150,000 pounds are of species covered by the new amendment, consisting of 278,400,000 pounds of canned salmon and 266,750,000 pounds of pilchards, mackerel and herring. The result of the order will, therefore, be to reserve for the Government 436,120,000 pounds of canned fish, the remainder of the pack of these species to be available for civilian consumption.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

WARTIME CROP PRODUCTION

During the war period the total area in Australia under all crops, including wheat, vegetables and fruit, decreased by 32 per cent, from 23,500,000 acres in 1938-39 to 15,900,000 acres in 1943-44.

Restriction of wheat planting has been largely responsible for this reduction, but there has also been a substantial decrease in the areas sown for most crops. Increases have, however, occurred in flax and vegetable acreages.

The production target for barley for the 1944-45 season has been fixed at 11,400,000 bushels, but adverse seasonal conditions, particularly in South Australia and Victoria, suggest that this goal will not be reached.

From 1941 the area under maize declined to 283,000 acres in 1943-44, which is the lowest acreage recorded for 10 years.

The production goal for rice for 1944-45 was fixed at 4,300,000 bushels, but production will be substantially less due to general drought conditions, and also to water restrictions in the Murrumbidgee irrigation area.

In 1943-44 the area under tobacco, namely 7,088 acres, was the lowest for 13 years, but the crop of 5,200,000 pounds of dried leaf was only slightly below average, due to favourable growing conditions. The area fixed for 1944-45 is 7,500 acres. Exports of prepared tobacco, cigars and cigarettes from Australia have increased from £677,000 in 1942-43 to £863,000 in 1943-44, while imports of tobacco and preparations averaged £2,208,000 for the 10 years ended 1943-44, most of which was unmanufactured tobacco imported from the United States and Southern Rhodesia.

The total area under grape vines has increased steadily for many years. For the 1943-44 season there were 130,141 acres under cultivation.

Production of fruit and tomato juice in 1944 is estimated at 4,124,500 gallons. Undiluted black currant syrup production amounted to 229,500 gal-

lons, solely for consumption by the services.

RELAXATION OF CLOTHING RESTRICTIONS

With relaxation of eighteen major austerity restrictions on the manufacture of men's, women's and children's clothing, announced early in the year, the regulations now permit coat-type shirts, pocket in men's and boy's pyjamas, increased chest measurements on shirts to allow better fittings, welted or raised seams on all male outerwear, full double-breasted lapels on jackets and coats of all types, full double cuffs on trousers, half-belts for boys' overcoats and boys' jackets, raglan or semi-raglan sleeves on overcoats and jackets of all kinds, double-breasted garments for women, riding breeches and play suits for women and children, belts on women's topcoats, increased measures, hems, and facings for women's children's, and girls' garments.

SAVINGS IN BANK ACCOUNTS AND WAR SAVINGS CERTIFICATES

The amount of savings bank deposits in Australia at October 31, 1944, was £503 million as compared with £245 million in October, 1939, an increase of £258 million during the five years. Most of this increase occurred since March, 1942, when the amount of savings bank deposits was £259.7 million. There was an increase of £97.1 million in the twelve months ended October, 1943, followed by an increase of £104.5 million in the following twelve months.

From March, 1940, when war savings certificates were first issued, to October, 1944, the net amount subscribed for this purpose was £46,460,000.

India

TRADE CONTROLS

There is continued evidence of relaxation in the Indian Government's import control policy as referred to in some recent reports from this office, writes Paul Sykes, Canadian Trade Commissioner at Bombay.

Two instances of this trend are to be seen in (1) a recent notification covering the issue of special licences

for the import of certain goods from Canada and the United States to firms which have been evacuated from Burma and to certain others which have no basis for a quota for such imports but which can prove the purchase of similar goods from some enemy countries, and (2) an announcement placing certain consumer goods of United Kingdom origin under the provisions of an open general licence as result of which no import permits will be required in connection with such transactions. These amendments to import control regulations are designed to increase available supplies of consumer goods and to combat inflationary and black-market tendencies.

It should not be assumed that there is any early prospect of far-reaching relaxation of import and exchange controls as applying to Canadian goods; but some of the more recent changes in them have, nevertheless, permitted the resumption of trade in certain lines which have not been exported to this market for three years or more and have also offered occasional opportunities for the development of business in goods which have never previously been shipped to this country.

THE BUDGET

The Finance member presented his budget for 1945-46 to the Central Assembly a few days ago, writes Paul Sykes, Canadian Trade Commissioner at Bombay, under date March 16, 1945. Despite increases in the surcharge on income tax on incomes above Rs.15,000 and on incomes taxable at the maximum rates, in parcel post rates, telephone rentals, telegrams, and in the import duty on raw tobacco, it is estimated that the year will show a deficit of Rs.1,552,900,000 (three rupees equal Can.\$1 approximately). This comparatively high figure follows upon a number of other large deficits, but it is thought in some quarters that, with the present favourable trend in the Pacific war, defence expenditures may have been overestimated. There has been a general feeling of relief also over the small extent to which direct taxation has been increased.

RECONSTRUCTION PLANS

Considerable publicity continues to be given to a variety of plans for post-war reconstruction, but it becomes increasingly evident that few of these schemes will be carried through in their entirety. The development and expansion of some industries is already under way with the purchase of equipment and materials, mainly from the United Kingdom and United States.

The Government is giving active aid to various projects of this kind by facilitating business visits abroad by local industrialists and co-operating in the purchase and delivery of machinery and other essential requirements. Two of the latest instances of such development comprise the assembly in India of certain types of Morris motor vehicles and an expansion in the capacity of the Indian film industry based on the purchase of new equipment in the United States.

Newfoundland

COST OF LIVING

The cost of living index for St. John's, according to figures released by the Department of Supply, increased from 158.7 at the beginning of February to 160.6 at March 3, 1945. The advance in the index was attributed to a rise in the price of turnips, potatoes and cabbage. The index covers only essential items for a family of five with an income of \$1,200 per annum. Since October 1, 1938, the basic month, which equals 100, the food group has risen to 182.1, fuel and light to 158.2, clothing to 192.4 and sundries to 153.5.

GEOLOGICAL SURVEY PLANS FOR 1945

Plans covering the field program of the Geological Survey of Newfoundland for 1945 call for an increase in operations as compared with the previous year. The areas to be surveyed this year include Pistolet Bay, Bonne Bay-Deer Lake; Curling-Stephenville

Crossing; Humber Arm; Fortune Bay and Clarenville-Musgravetown.

The survey commenced in 1934 and considerable progress has been made since that time, although some difficulty has been encountered in securing suitable personnel during the past four years.

LABOUR RECRUITMENT

Representatives of two Canadian firms were in Newfoundland at the beginning of April seeking labour for essential industries. According to announcements in the local press, 200 Newfoundland workers are required by a large Canadian rubber plant and 20 for a Canadian tannery. Recruiting is also being undertaken by the United States Government for workers for the dairy industry in the northeastern states. Satisfaction was expressed with the type of workers previously recruited in this country, a representative

stating that they were comparable with any group which had been encountered.

Sweden

PAPER TRADE IN 1944

Preliminary figures of paper exports in 1944 show a decline of nearly 20,000 tons in shipments of kraft paper from the 1943 level of 85,000 tons, according to a Swedish trade journal. Three-fourths of this decline was in exports to Germany, and the remainder in shipments to Belgium, Hungary, and the Balkan countries. There were slight increases in sales to South American markets.

Exports of greaseproof paper in 1944 were slightly larger than in 1943, due entirely to larger shipments to South America. Sales of sulphite wrappings were approximately 8,000 tons as against 4,000 tons in 1943 and 9,000 tons in 1942.

AGRICULTURAL MECHANIZATION IN THE UNITED KINGDOM

Reduced manpower and the need to increase agricultural production during the war inevitably led to a greater use of machinery on farms. The number of tractors in use in Great Britain is now about 150,000, nearly three times as many as in 1939. If agriculture is to raise its productivity and produce cheap food, it will have to turn more to machinery than it has done in the past.

One of agriculture's handicaps is the small size of the average farm, which puts the capital outlay for machinery and its running costs outside the reach of the small farmer. The compelling force of war has led to schemes designed to get over the difficulty by the joint use of machines. Pooling schemes are operated all over the country. These do not work to a set of rules laid down by the Minister of Agriculture. The procedure is that County War Agricultural Executive Committees call farmers together in suitable districts, and the farmers themselves elect a committee to run a

machinery pool. The arrangements consequently vary from county to county and pool to pool. Very often a scale of charges for equipment lent by one farmer to another is drawn up. The County Committees, too, own machinery which they hire to individual farmers.

Another aspect of mechanization is the development of new machinery. This is kept under review by the Agricultural Machinery Development Board, which was set up in January, 1942, and which has recently been re-appointed. Its main functions are to make recommendations on the types of machinery which farmers want, to advise manufacturers and to test new machinery. It is assisted in its work by the National Institute of Agricultural Engineering. The Institute is at present engaged, in addition to its other work, in conducting a farm mechanization inquiry in order to get accurate information about the way machines are actually used on a representative sample of farms.—From *The Economist*.

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FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 16, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, April 16, 1945, and for the week ending Monday, April 9, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 9	Nominal Quotations in Montreal Week ending April 16	Official Bank Rate
Great Britain	Pound	4.866			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985			
Jamaica	Pound	4.8666	.2284	.2284	4
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2764	.2755	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0575	.0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3·4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6358	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.6022	.6022	—
South Africa	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

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Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

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The following is a condensed list of publications of the Dominion Bureau of Statistics:—
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Canada, 1945. (Price 25 cents.)

Canada Year Book. (Price \$2.) (Out of print.)

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TABLE OF CONTENTS

	Page		Page
Argentina as a Market		Trade Reg. and Tariff Changes—Con.	
2. Foreign Trade	353	British Guiana:	
Housing in Northern Ireland.....	361	Bulk Purchasing Regulations	
Economic, Trade and Production		Modified	372
Notes	364	Iron and Steel Products Removed	
Correspondence with Luxembourg and		from Bulk Purchasing	372
Yugoslavia	367	Imports into the United States of	
Canada's Domestic Exports in March	368	Products under the Quota Provisions	
Trade Regulations and Tariff Changes:		of the Trade Agreement.....	373
United Kingdom: Import Licensing		Foreign Exchange Quotations	374
Position as at April 9, 1945.....	370	Commercial Intelligence Service.....	375

ARGENTINA AS A MARKET

2. FOREIGN TRADE

By J. A. STRONG, *Commercial Attaché, Canadian Legation at Buenos Aires*

Imports

Argentine imports of merchandise have been greatly reduced since pre-war years, due to limited supplies available for purchase under wartime conditions. This is shown by the accompanying table giving the values of imports by commodity groups for 1938, 1939, 1942 and 1943. It will be noted that in 1938 the total value of imports was \$586,960,000 and that it had fallen to \$314,014,000 in 1943.

Textiles hold first place among imports in order of value by a consider-

able margin. The position of other commodity groups has shown considerable variation in the years for which figures are given in the table. Machinery and vehicles, for example, stood second in 1938 and eleventh in 1943, while the chemicals and pharmaceuticals group was seventh in 1938 and second both in 1942 and 1943. Fuel and lubricants dropped from third in 1938 and second in 1939 to fourth only in 1943, in spite of falling one-half in value.

Invest in the Best—Buy Victory Bonds!

Argentine Imports by Commodity Groups

	1938	1939	1942	1943
	Thousands of Dollars			
Foodstuffs	34,849	30,906	24,884	22,467
Tobaccos	4,763	5,341	4,691	6,007
Beverages	3,276	3,397	2,463	2,433
Textiles	113,336	93,664	106,797	74,493
Chemicals and pharmaceuticals	24,919	31,567	46,677	35,590
Paper and manufactures	17,866	18,532	32,807	29,931
Lumber and manufactures	22,570	27,290	35,833	32,849
Iron and steel and manufactures.....	56,500	56,940	29,277	18,879
Machinery and vehicles	83,380	49,864	31,637	12,454
Other metals and manufactures	20,384	23,163	26,792	14,650
Glass, ceramics, etc.	14,366	12,824	14,970	13,659
Fuel and lubricants	58,325	61,031	36,521	30,000
Rubber and manufactures	4,267	5,859	3,702	1,852
Miscellaneous	28,009	25,730	27,735	18,750
Total	586,960	446,108	424,786	314,014

Note.—Differences in import values shown in this and following tables are due to "tariff" and "adjusted" values being used.

Argentine Imports by Countries

	1938	1939	1942	1943
	Thousands of Dollars			
United Kingdom	97,669	98,903	77,120	64,837
United States	84,895	73,258	132,482	59,770
Brazil	25,021	31,149	75,468	67,157
Chile	2,358	2,279	12,530	11,576
Other American*	42,236	38,377	43,554	35,947
Sweden	6,325	7,743	32,411	31,962
Switzerland	5,726	6,590	11,357	11,439
Spain	2,722	1,911	5,376	5,342
Portugal	952	1,132	2,773	3,329
Other European	145,184	140,964	2,838	588
Japan	18,161	3,977	...	...
India	16,945	18,859	21,404	16,659
All others	38,768	20,969	7,474	5,410
Total	486,962	446,111	424,787	314,016

*Approximately 90 per cent crude petroleum from Venezuela, Colombia, Peru and Ecuador.

The origin of Argentine imports of merchandise in recent years as compared with the pre-war position is indicated in the table showing imports by countries.

Argentine primary and secondary production in relation to the demand for the principal commodities imported into this country is discussed under the various group headings.

FOODSTUFFS AND BEVERAGES

Argentina produces all the varieties and classes of foodstuffs that are grown normally in temperate and sub-tropical climates, and food is cheap. Argentina is one of the largest exporters of meats, grain, fruit and vegetables.

Since Argentina extends north and south, the seasonal demand for such items as berries, tomatoes and fruit are met from domestic sources. There

is a large production of citrus fruits, although oranges are imported seasonally from Brazil. Argentina is a large exporter of apples, but the Delicious variety is imported in limited quantities for the Christmas trade as this is the off-season. Argentina produces the domestic requirements in sugar and rice.

Argentina has important river and sea fisheries, but Argentinians are eaters of beef rather than fish. Spain, Portugal and Norway ship a limited quantity of tinned sardines, which sell as a specialty, but only a few hundred cases of canned salmon are consumed annually. Norway and Scotland supply dried codfish, largely for the Lenten season; it sells on a quality basis rather than to the low-income groups. California ships some dried prunes, but local prunes supply most of the con-

sumption needs. Nuts come from Chile and California. The United Kingdom sells some food specialties such as English biscuits but as luxury items largely for the British colony. Argentina is normally self-sufficient in potatoes but imports some seed potatoes from Canada for planting.

In general imports of foodstuffs, apart from coffee, cocoa and bananas from Brazil, and tea and spices from the Far East, are food specialties for the foreign-born groups. Therefore Argentina does not offer any great scope for sales promotion efforts in any new line of food products.

Argentina grows its own tobacco, supplemented by imports of similar types of leaf from adjoining territories in Paraguay and Brazil. A limited quantity of Virginia leaf is imported for blending purposes from the United States. Argentina has extensive and fine vineyards in the irrigated fruit and potato-growing zone in the foothills of the Andes at Mendoza. Table grapes are shipped to the United States and Canada. Argentinians consume annually about 700 million litres of domestic wines; 190 million litres of beer made from local malting barley and imported hops, although hops are now grown locally; 13 million litres of vermouth and 10 million litres of cider. There is a comparatively limited consumption of spirits made from domestic molasses and cereals. The United Kingdom supplies under 100,000 cases of Scotch whiskey each year.

TEXTILES

Argentina has a highly developed domestic textile manufacturing industry. The country produces the industry's requirements in short-staple raw-cotton fibre and wool, and there is also

local production of flax fibre. The output of the industry was valued at \$131 million in 1941 and more than 80 per cent of the raw materials used were of national production. There is a large domestic rayon plant.

The industry supplements the domestic materials with imports principally of cotton thread, mainly for stockings, rayon thread and jute. There has been a great expansion in textile manufacturing during the war and manufacturers will be in a position to modernize or replace their machinery after the war.

The trends in the origin of cotton goods available locally for consumption between 1935 and 1941 reflects the growth of this branch of the industry. Brazil and the United Kingdom provide the only competition now and, while the former made very heavy shipments to Argentina in 1942, imports were greatly reduced in 1943 and 1944, with a corresponding increase in local production.

Jute from India, which is used for grain bags, and quality cotton piece-goods and fine pure woollens for suitings from England are the major items in textile imports.

The domestic apparel manufacturing industry takes care of the entire local requirements in made-up wearing apparel, including shoes both of leather and rubber. There are no imports of women's dresses or other wearing apparel.

CHEMICALS, PHARMACEUTICALS AND MEDICINES

In 1941 the domestic industry produced toilet articles, such as perfumes, lotions, toilet soap, powder, shaving creams, dentifrices and similar products, to the value of \$6,500,000; other

Cotton Textile Industry in Argentina, 1935-41

	Home Production		Imports		Total Available	Exports M. Tons
	M. Tons	Per Cent	M. Tons	Per Cent		
1935	16,943	31.4	36,958	68.6	53,901	162
1936	20,260	40.4	29,915	59.6	50,175	222
1937	24,104	40.5	35,437	79.5	59,541	193
1938	22,517	39.8	34,073	60.2	56,590	256
1939	28,523	56.4	22,074	43.6	50,597	313
1940	30,588	58.9	21,373	41.1	51,961	305
1941	35,189	70.7	14,573	29.3	49,762	393

soaps, \$12,000,000; inks, \$2,000,000; paints, varnishes and colours, \$10,500,000; alcohol, \$7,800,000; oxygen and other gases, \$1,500,000; other chemicals, \$14,300,000, live-stock dip compounds, \$4,100,000; medicinal preparations, \$14,700,000; candles, \$1,500,000; cleaning preparations, \$1,600,000; shoe polishes, \$306,000; and explosives and cartridges, \$1,150,000. Medicinal and pharmaceutical preparations are manufactured largely by branch plants of German, American and French firms.

PAPERMAKING

The Argentine papermaking industry has been greatly expanded in volume as well as in the types and qualities produced since 1939. The industry consumes more than 40,000 tons of imported wood pulp annually. In addition, it uses around 30,000 tons of locally produced straw cellulose and 3,000 tons of domestic wood-pulp from the poplar plantations at the delta of the Parana River at Buenos Aires. The production of cellulose from wheat and flax straw has been increased since 1941.

The local industry produced 110,000 tons of paper in 1941. The increase in local production since that year will take care of 75 per cent of the needs of the local market for all papers except newsprint.

Imports of Paper and Manufactures

	1938	1939	1942	1943
Newsprint	9,206	10,632	9,626	16,895
Other papers—				
N. America ..	1,456	1,477	9,638	3,436
Europe	10,911	9,674	13,543	9,599
Total	21,573	21,783	32,807	29,930

LUMBER

There has been great activity in the construction industry over the past ten years in Argentina. This activity has been an important factor in the maintenance of the economic structure of the country at this time, since it depends largely on domestic materials. The industry has been particularly active during the war. There is a heavy surplus of funds seek-

ing investment. The Argentine investor prefers real estate or government securities, so that new construction continues at a high level despite the rising costs of construction materials and higher land values and the correspondingly reduced yields from this class of investment. The emphasis has been on office buildings and apartment houses, although many private dwellings are being built too.

This construction activity has paralleled a steady decline in imports of lumber. Arrivals of lumber from North America and Europe have stopped, although there has been an increase in the consumption of Parana pine from Brazil. Lumber is little used in building. The climate does not demand a well-insulated structure for comfort, although the new office buildings are being air-conditioned. Office buildings and apartment houses are of reinforced concrete and apartment houses have been built as high as 28 storeys. Brick, plastered inside and outside, is used for the walls and partitions.

Southern pitch pine from the United States used to be widely used for parquet flooring, but this wood is now being replaced by local hardwoods which had not previously been employed for the purpose. The window frames are normally of steel, but due to scarcity the steel is being replaced by local woods. The doors are usually of plywood, which formerly came from Europe. There is a little plywood now made locally and some comes from Chile and Brazil. The local furniture-manufacturing industry supplies all the domestic requirements in wood and steel furniture.

Argentina does not produce any commercial softwoods, except the poplar plantations, for making wood-pulp and box-wood. There are some excellent sub-tropical hardwoods suitable for good furniture and flooring, and quebracho, which is a very hard wood, is widely used for paving blocks, railway ties and fuel. The extract of quebracho is exported for tanning purposes. The new asbestos-cement industry is an important one in Argentina. There are

three large firms producing corrugated sheets, which are replacing the now scarce galvanized sheets in construction work, and piping which replaces the also scarce iron and steel piping for certain purposes. This industry uses asbestos fibre from Canada and Rhodesia and locally manufactured Portland cement.

There is consequently a rather restricted demand for softwood lumber. Wooden shingles are not used. Roofing tiles are made locally. It seems questionable whether the former trade of nearly 100 million board feet annually in pitch pine from the United States will be resumed. The country consumed between 25 and 35 million feet of Douglas fir annually, besides some white pine, Sitka spruce, hemlock, etc., and some spruce lumber from Europe. Argentina needs softwood lumber for concrete forms, for platforms in storing grain in bags and other miscellaneous purposes, so that the pre-war level should be recovered or surpassed in the future. The Brazilian pine is well grained and a good wood for many purposes but it is brittle. It is widely used now for concrete forms, partitions, counters and doors, but it cannot compete under normal conditions with fir or similar woods for specific needs in this country.

IRON AND STEEL INDUSTRY

Argentina imported around 550,000 tons of rolling-mill products annually before the war. Nearly one-third of the figure was represented by round iron bars, largely for reinforced concrete building construction. The other important items were unworked sheets to be galvanized locally, pipes and tubing, steel wire, barbed wire, steel-wire rope and cables, steel rails, plates, hoops and steel shapes in the larger sizes.

Argentina has neither coal nor iron mines as a basis for a domestic steel industry. The local steel industry has been developed on the basis of imported pig iron and, under wartime conditions, on domestic scrap iron. It

has been greatly expanded during the war until it has a capacity in excess of 350,000 tons annually. Round iron bars are being rolled in a volume sufficient to meet local requirements, supplemented by some imports of bars from Spain. There has been a great expansion in the domestic production of all gauges of steel wire, steel beams and shapes, mostly in the smaller sizes, in castings and everything except the largest items, which cannot be handled in the existing 45-ton furnaces. The development of the steel industry has created a new and important market for ferro-alloys from Canada. High-temperature refractories have also been introduced from Canada.

The Argentine census of 1941 shows a production of bars, plates, shapes, bridge girders, steel drums, boilers, etc., valued at \$33,000,000; enamelled household and sanitary ware, tanks, chains, metal screens, springs, files, tools, etc., \$12,300,000; tin containers, caps, etc., \$39,000,000; galvanized sheets, \$3,300,000; steel wire, \$1,300,000; bolts, nuts and screws, \$3,200,000; steel pipes and tubing, \$2,600,000; scales, \$500,000; steel window frames and similar building materials, \$8,400,000; builders' hardware, \$2,100,000; stoves, excluding electric and heaters, \$3,700,000; steel furniture, \$2,400,000; beds and springs, \$2,300,000. Argentine imports of iron and steel and manufactures were valued at about \$40 million annually before the war.

MACHINERY AND VEHICLES

There was a domestic production of machinery valued at \$23,600,000 in 1941. This figure included light agricultural tillage implements and combines, \$8,600,000; cement-mixers and other building construction machinery, \$1,085,000; baking machinery, \$965,000; metal-working machinery, such as lathes, machine tools, etc., \$2,396,000; textile machinery, \$1,100,000; wood-working machinery, \$640,000; pumps, \$3,900,000; sundry machinery for dairying, tobacco manufacturing, sugar refining, shoemaking, etc., \$5,200,000. The automobile parts, assembly and

Argentine Imports of Machinery and Vehicles

	1938	1939	1942	1943
	Thousands of Dollars			
United States—				
Automotive products	18,378	10,720	11,454	1,423
Farm machinery	14,122	6,814	734	554
United Kingdom—				
Railway equipment	8,382	3,857	612	418
Bicycles and parts	1,887	1,612	52	....
Canada—				
Farm machinery	2,275	1,432	188	145
Hungary—				
Diesel cars	3,243	1,609	....	....
Machinery and motors—				
United States	5,388	3,693	10,095	7,222
Germany	4,895	2,527	225	13
United Kingdom	2,799	2,232	2,349	1,023
All other	14,213	9,409	5,927	1,656
Total	75,582	43,905	31,636	12,454

body-building plants had an output valued at \$22,000,000 and the railway shops at \$31,000,000 in 1941. Argentine industry has been making an extraordinarily wide variety of machinery under wartime conditions when new machinery cannot be obtained from abroad.

Argentina imported machinery and vehicles valued at \$75,000,000 in 1938. This consisted mainly of automobiles, trucks and other automotive products from the United States, farm machinery from the United States and Canada, railway equipment and bicycles from England, Diesel cars from Hungary and machinery generally from Germany. The other items included special pumps, mainly from the United States; heavy boilers from the United States, United Kingdom and Germany; compressors from the United States; electric-refrigerator parts from the United States; sewing-machines and parts from the United Kingdom, United States and Germany; typewriters from the United States, Germany and Italy;

calculating machines from the United States and Germany; electric motors and sundry industrial machinery and motors mainly from the United States, United Kingdom and Germany.

NON-FERROUS METALS

Mining is not an important element in the economy of Argentina. There is a lead mine which supplies the domestic requirements of this metal, and some lead, zinc and tin concentrates are exported; but Argentina has to import electrolytic copper, zinc spelter and tinplate as well as nickel and aluminium. Argentina is an exporter of tungsten.

Argentina has an important domestic copper- and brass-manufacturing industry which is supplying most of the requirements of the country at the present time. This industry consumed 5,068 tons of imported copper ingots in 1941 and produced 3,811 tons of copper sheets and other forms; 1,361 tons of copper and bronze piping; 2,660

Argentine Imports of Non-Ferrous Metals

	1938	1939	1942	1943
	Thousands of Dollars			
Electrolytic ingots and sheets	2,696	2,959	4,620	2,322
Copper and brass manufactures	4,607	4,244	3,221	1,390
Total copper and manufactures	7,303	7,203	7,841	3,712
Tinplate	5,419	6,654	10,971	6,056
Zinc ingots and sheets	1,110	1,072	1,036	256
Other metals	1,678	1,595	2,221	931
Manufactures of sundry metals	2,073	1,592	1,002	494
Watches and instruments	4,072	3,335	3,721	3,200
Total	21,655	21,451	26,792	14,649

tons of copper and brass wire and \$2,772,000 in sundry articles of copper and bronze. The industry is now making both fine enamelled wire and the heaviest copper electric-power cables.

Argentina imported 3,260 tons of copper cable and wire annually before the war, the United Kingdom supplying over 71 per cent. While Argentina has been able to get along for the duration without the imported article, it seems probable that the local industry will not find it convenient to manufacture the high-tension electric-power cables nor probably the fine wire after the war. Quality brass valves will also be imported, but local manufacturers are likely to hold the local market for sheets, bars, tubes and other ordinary forms.

The great expansion that has taken place in local industry will likely provide an increased post-war market for nickel and aluminium.

FUEL

Several small coal mines are being exploited under wartime conditions, but Argentina does not normally produce coal. The limited production of hydro-electric energy is mostly connected with irrigation projects and no power is supplied to the centres of industrial production. The railways, electric power plants and industry generally depend on imported coal and on petroleum. Argentina produces and refines from one-half to two-thirds of its petroleum consumption and the 3,000,000 tons of coal needed were brought from England and the Continent before the war.

The fuel problem has been serious since 1940, due to the reduced imports of crude petroleum and coal. Quebracho is being burned in great quantities, but

this country has had to use most of its corn crops, oilcake, grain alcohol and a large quantity of linseed oil for fuel. Wheat has also been burned for fuel. The Argentine fuel bill for imported crude petroleum and coal was around \$55 million each year before the war. This figure will probably be increased after the war, due to local industrial expansion.

RUBBER AND RUBBER MANUFACTURES

There has been a limited market for manufactures of rubber in Argentina since two American and a French rubber firm established factories here in the early thirties to supply the local requirements in tires and tubes. Their manufacturing facilities were extended later to cover belting and other rubber goods. There are other local factories manufacturing rubber boots and shoes, rubber-soled shoes and sundry articles of rubber. An internationally known English firm has a long-established market for golf and tennis balls and certain other specialties, but generally local industry now supplies the needs of consumers. The shortage of crude rubber supplies continues to be a serious problem, as there is no domestic production of synthetic rubber in Argentina.

The output of the rubber-manufacturing industry in Argentina was valued at \$25,000,000 in 1941. This figure included tires and tubes, \$12,060,000; rubber-soled shoes and sport shoes, \$1,970,000; rubber shoes, \$5,400,000; and rubber sundries, \$5,390,000. The latter included rubber tubing, soles and heels, auto and bicycle accessories, bicycle tires and tubes, belting, medicinal rubber goods, balls, hot-water

Imports of Rubber and Manufactures

	1938	1939	1942	1943
	Thousands of Dollars			
Crude rubber	7,425	11,763	2,651	489
Manufactures—				
United States	793	673	568	75
United Kingdom	1,852	1,301	161	29
Brazil	28	301	275	1,234
Others	2,034	364	47	24
Total	12,132	14,402	3,702	1,851

bottles, balloons, rubber washers and packing, surgeons' and electricians' and household rubber gloves, rubber bands, mats, erasers and rubber sheeting.

GLASS AND GLASSWARE

Glassmaking has become an important industry in Argentina. Domestic production was valued at approximately \$10,000,000 in 1941. This country requires upwards of 40,000 tons of soda ash annually and the greater part is consumed by the glass industry. The shortage of tinplate alone has required the manufacture of an additional 45 million glass bottles annually for edible oils.

Argentine Imports of Certain Essentials

	1938	1939	1942	1943
	Figures in Short Tons			
Coal	3,036,016	3,217,285	570,566	633,183
Petroleum	2,302,742	2,216,193	979,915	419,156
Crude rubber	8,553	10,675	3,401	179
Asbestos fibre	1,211	3,140	6,554	5,890
Newspaper	139,250	160,810	84,113	117,455
Wood-pulp	42,156	52,176	46,472	38,313
Jute	104,293	74,539	48,450	40,130
Sulphur	19,279	29,226	30,378	39,987
Copper ingots	6,116	6,712	11,388	5,253
Tinplate	61,479	75,475	66,239	33,832
Pig iron	31,059	61,362	8,856	25,286
Railway rails	26,503	18,138	520	41
Round iron bars	197,855	190,902	15,583	5,905
Steel sheets	93,966	120,277	30,262	7,789
Steel axles	18,988	24,815	7,526	2,024
Steel beams and shapes	74,590	81,177	3,358	2,071
Steel wire	64,397	65,884	19,558	12,509
Ferro-alloys	n.a.	n.a.	2,729	3,360
Sodium carbonate	24,570	42,783	24,816	72,375
Caustic soda	19,952	27,503	36,626	55,669
Calcium carbide	8,544	8,209	12,203	2,934
Aluminium sulphate	3,786	6,403	1,157	319
Lumber, softwood	204,548	246,743	207,176	164,571
	Thousand Feet Board Measure			

Local industry has made this country independent of imports of glass containers of all kinds and supplies nearly 75 per cent of the window glass and most of the other flat glass except plate glass. Household glassware, mirrors, laboratory glassware, glass wool and Pyrex are manufactured in a volume to meet local consumption needs. English, American and Belgian capital is invested in local plants in addition to the local capital.

CERTAIN ESSENTIALS

Argentine manufacturing industries depend to a large degree on imported

raw materials. Notwithstanding this fact, local secondary industries have been able to expand under wartime conditions and now keep the domestic market supplied with practically all the consumer goods in demand. Imports of the principal essential materials are shown by quantities for the years 1938, 1939, 1942 and 1943 in the table under this heading.

Exports

Argentine exports increased in value from \$466,000,000 in 1938 to \$728,000,-000 in 1943. There was a further increase in 1944. Farm products are the basis of the export trade and the

increases are due largely to the wartime demand, particularly for meats in the United Kingdom.

The increased value of the exports of manufactured goods since 1939 is due to the industrial expansion that has taken place and to the shortages in supplies from normal pre-war sources in the other South American countries and in South Africa. In 1943 Argentine exports of textile manufacturers were valued at \$65,000,000; vermouth and wines and spirits at \$27,000,000; soap, toilet preparations, paints, medicinal preparations and certain chemicals at \$12,000,000; and

cutlery, hardware and other iron and steel manufactures at \$4,000,000.

Great Britain is the principal export outlet for such basic Argentine farm products as meats and wheat. The high-quality chilled beef, which the wealthy and politically minded estancieros in Argentina produce, finds its only outlet in Great Britain. There is a wide export distribution of corned beef.

Brazil is an important market for wheat, but the United States and Canada are the principal consumers of the other basic products that Argentina must sell abroad, such as cattle hides, wool, flaxseed and vegetable oils. These latter products do not receive the attention that is given to beef, mutton and wheat, but their successful marketing is none the less important to the economy of the country.

Argentine Exports by Commodities

	1938	1939	1942	1943
	Thousands of Dollars			
Animal products, total	212,757	229,559	361,284	383,763
Meats	105,855	110,963	185,677	197,217
Hides	33,753	37,977	56,634	60,022
Wool	51,250	54,246	62,459	55,499
Dairy products	4,938	6,591	15,270	21,055
Other	16,961	19,782	41,244	49,970
Agricultural products, total	221,416	255,655	128,867	165,534
Grain	196,684	230,521	76,641	114,302
Mill products	10,849	8,573	2,738	3,952
Vegetable oils and seeds	4,977	6,312	38,624	32,025
Fresh fruit	2,451	3,660	2,498	2,977
Other	6,455	6,589	8,366	12,278
Forest products	13,784	15,987	14,038	15,316
Mine products	5,797	6,285	10,844	14,164
Furs	2,271	1,821	3,480	8,077
Manufactured goods and sundries	10,786	15,083	77,806	141,380
Total	466,811	524,390	596,319	728,234

Destination of Argentine Exports

	1938	1939	1942	1943
	Thousands of Dollars			
United Kingdom	153,165	188,231	200,231	260,019
United States	39,518	62,937	170,185	177,552
Brazil	32,769	22,373	35,350	47,743
Other American countries	22,701	26,904	85,800	94,705
Sweden	8,155	11,059	26,581	21,359
Switzerland	796	6,292	13,963	5,851
Spain	2,433	9,983	17,735	22,001
Portugal	951	544	770	1,653
Other European countries	188,993	177,341	1,578	2,136
Japan	5,410	3,607	...	...
South Africa	1,441	1,453	27,059	53,053
All others	10,486	13,666	17,064	44,682

HOUSING IN NORTHERN IRELAND

By E. L. McCOLL, Canadian Trade Commissioner at Belfast

The interim report of the Planning Advisory Board on housing in Northern Ireland has now been published. It embodies the results of the housing survey recently carried out by the Ministry of Home Affairs and provides the first available comprehensive review of this problem in Northern Ireland.

Housing Requirements

The total number of new houses called for was estimated in 1943 at approximately 100,000. Belfast required 23,591; Londonderry, 3,828; and Newry, 1,042. Figures for the rural areas were: County Antrim, 11,928; County Down, 10,664; County Londonderry, 7,645; County Ferman-

agh, 6,943; County Armagh, 5,705; and County Tyrone, 14,187. In addition, 229,500 houses were in need of repairs and reconditioning. Owing to there being no building undertaken in 1944, the position has now become even more serious than these figures indicate.

A total of 100,000 houses to meet the immediate needs of Northern Ireland may be compared with the 4,000,000 estimated for England and Wales and 500,000 for Scotland. It should be noted that the estimates for England and Wales are arrived at on an entirely different basis from those for Scotland and Northern Ireland. The figure for England covers the estimated needs for the next ten years, whereas the Scottish and Northern Ireland figures are intended to indicate only the number of dwellings immediately necessary to provide a reasonable housing standard and take no account of requirements that will arise during that decade as a result of population increases and the necessity for replacing many that have become no longer habitable.

Suggested Legislation

The Board has recommended that the legislation governing slum clearance be extended in order to enable local authorities to deal with such areas on a large scale instead of demolishing only individual houses, and that adequate financial assistance be provided by the Government for the necessary clearance schemes to be efficiently carried out. It is also suggested that, when slum property is torn down, the former occupants be rehoused on the same site as far as possible and that trained housing managers be employed.

For rural housing the report advocates building in groups and urges that the sites be carefully chosen, having regard to economy and amenity. The importance of employing competent architects and of providing facilities for community life are stressed.

Standards and Rents

For all new housing schemes minimum standards are submitted in detail,

covering accommodation and internal arrangement of houses as well as public services and amenities. New organization to ensure the observation of these standards on the part of the Government, local authorities, building contractors, and building societies is recommended.

It is considered essential that the rent of new houses be within the means of the lower-income groups of the community and, with the present cost of building, it is recognized that this will necessitate financial assistance both from the Government and local authorities. A government subsidy on a generous scale, varied to meet different needs, towards the total cost of housing schemes is desirable. This should enable local organizations to avoid overcrowding the area at their disposal and encourage them to provide a modern layout, including open spaces for children's playgrounds. It is suggested that grants be based on the total cost of a building scheme, which would include land, roads, parks, etc., rather than on the cost per house. Dealing with the question of new housing estates, it is urged that everything be done to make these into real communities. It should in future be accepted as normal policy that sites be earmarked for churches, community centres, schools, post offices, shops, inns, open spaces, amusements and other facilities where these are not already available at a convenient distance.

Temporary Measures

To meet the immediate grave housing shortage, it is urged that the Government of Northern Ireland carry out proposals similar to those of the Imperial Government regarding the provision of temporary houses. It is recommended that these be erected on ground which it is proposed later to use for permanent housing, so that the cost of providing roads and essential services is not wasted. In the case of Belfast, suitable sites where such services are already available have been rendered vacant by air-raid damage.

It is also considered essential that property-owners and local authorities be encouraged and enabled, by grants for purchase and subsequent reconditioning, to carry out an extensive repair and rehabilitation program at the earliest possible date.

With regard to prefabrication, the technical subcommittee of the Housing Committee examined schemes, submitted by individuals and firms, which were said to embody new methods of construction. None of these schemes, however, was at that time sufficiently well developed to justify the release of materials for experimental building purposes, although it is generally agreed that, by standardizing and organizing, prefabrication (the factory construction of doors, windows, flooring and walling units and internal fittings of all descriptions) could with advantage be carried a great deal further than in pre-war practice. During the war a certain amount of research and experiment has been carried out, for example on the production of a kitchen-bathroom-plumbing unit, and there is no doubt that immediately after the war there will be further progress made in this field, and new components will be brought into use.

Since the publication of the report of the Advisory Board, much has been done, and considerable publicity has been given certain proposals. Some of the prefabricated types now demanding consideration are: "Howard", "Somerville", "Boot", "Braithwaite", "Simplified Brick", "Bryan", and "Taran". In these it is proposed to use steel, timber or concrete instead of brick.

It is, of course, doubtful whether supplies of steel and timber will be available, but some of these types will probably be used to a greater or less degree in the next few years, since experimental houses of these materials have already been built in Great Britain, and the Burt committee has reported satisfactorily on them. However, at the time the Northern Ireland report was written, little definite information was available, and no experimental houses had been built either in Great Britain or in Northern Ireland.

Building Materials

To ensure the quick and economic provision of housing, it is essential that the necessary materials are provided, and it is recommended that steps be taken where possible to encourage the manufacture in Northern Ireland of all products connected with the erection and equipment of houses. It is considered that, with (in some cases) a measure of government backing, new industries could be started and existing industries expanded. This would not only help to solve housing difficulties but also to some extent assist in meeting local employment problems. The major items involved are as follows:—

Bricks.—The peak wartime output of bricks has been about 7,000,000 per month. Assuming that 5,000 brick houses per year, each requiring approximately 19,000 bricks, are erected, 95,000,000 bricks per annum would be consumed. Taking into account the building of factories, schools, hospitals, etc., a demand for, say, 150,000,000 bricks per annum may be expected. This far exceeds the present total production. Moreover, a recent scientific test of bricks produced in Northern Ireland shows that about one-third of the present output is below average quality. In addition, some of the existing brick-fields are almost worked out.

It is recommended: (a) that the Government make arrangements with brickworks producing bricks of a suitable type, so that a large stock of good quality would be accumulated; (b) that, where possible, an effort be made to improve the quality of the bricks, which is now below average (this will require proper care and technical skill and the introduction of up-to-date machinery and kilns); (c) that surveys be made to find new brick-fields; (d) that the production of building units of bricks fabricated from material other than clay, and also of alternative components such as concrete blocks, be investigated and, if found satisfactory, encouraged.

Cement.—Northern Ireland now produces approximately 96,000 tons per

annum, which is far below the quantity used at present or likely to be required after the war. A large increase in production should be encouraged.

Sand.—The supply available is adequate in quantity, but the quality varies, and a reasonable standard should be ensured. This will necessitate modern washing plants in certain cases.

Timber.—From the information supplied to the Committee, it is understood that seasoned imported timber will be procurable as soon as shipping is made available.

Clay Roofing and Flooring Tiles and Drain Pipes.—With new plant, it is considered that Northern Ireland could manufacture much of what will be required.

Concrete Tiles and Slates and Concrete Products.—Concrete tiles, sufficient for about 1,000 houses, were manufactured in Northern Ireland before the war, and an increase in the production of these and other products should be encouraged.

Gutters and Down Pipes.—No light cast-iron gutters or down pipes are made in Northern Ireland, and the conversion or setting up of a foundry to make these should be considered.

Metal Windows.—Production of these in Northern Ireland should be promoted after the war.

Electrical Conduits and Sanitary Fittings.—In the past these have all

been imported from Great Britain. It is probable that it would be difficult to manufacture them in Northern Ireland, but the matter might be investigated.

Finally, it is considered that, where materials and equipment for housing are not available or cannot be manufactured locally, it is essential to ensure that Northern Ireland obtains due priority as regards supplies from Great Britain.

It has come to be universally accepted that bad and inadequate housing is inimical to the well-being of any community, and public opinion in Northern Ireland is determined that the housing problem shall be effectively dealt with as soon as the supply of labour and raw materials permits. Variety and flexibility in design will be aimed at, to meet the needs of families of different sizes, ages, etc., but electric power and light, adequate cooking, water-heating and bathroom facilities are assumed as minimum requirements in all urban dwellings.

The ideas outlined by the Planning Advisory Board may not be implemented in exact detail, but it is inevitable that an extensive building program will be undertaken in Northern Ireland. It is counted on to alleviate post-war unemployment, to provide a stimulus to every branch of industry in the equipping and furnishing of these houses, and to create a wide demand for raw materials.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

WHEAT AND FLOUR SITUATION

The Canadian Trade Commissioner at Melbourne cabled on April 18 regarding the wheat and flour situation in Australia as follows:—

Australian wheat stocks at the end of March totalled 64 million bushels. To date the only area which has had opening rains is the north of New South Wales, though it is not unusual in wheat areas for the season not to

break until the end of April or early May. The quantity of wheat to be released for feeding live stock during April will be slightly below the quantity released for March.

Flour mills in Victoria and New South Wales are working only one shift, owing to the wheat shortage, but in South Australia and Western Australia, where wheat stocks are relatively greater, mills are operating to capacity, although reduced operations are expected.

Brazil

EXPORTS OF PINE

Brazilian exports of pine totalled 196,498,800 feet board measure in 1943, according to official Brazilian trade returns. Argentina was the principal market, purchasing 153,630,350 feet. Next in order were Uruguay, the United Kingdom and South Africa. The trade returns so far available are reported to indicate a marked increase in 1944.

ELECTRIC POWER NETWORK PLANNED

State officials of Sao Paulo are reported to have completed a plan for an extensive project for electrification in the State. It includes the construction of a network of hydro-electric stations. The plan has been referred to the Federal Commission of Electrification for study and approval.

British Honduras

WATERWORKS FOR BELIZE

A modern, sanitary, water-supply system, adequate to meet the growing needs of the population, is planned for Belize, according to a press report. Belize is now dependent on cisterns for its water supply and in the dry season there is a shortage of water.

Egypt

POST-WAR PLANS

Heightening and strengthening of the Aswan and Esna dams is being considered by the Egyptian Government. It is estimated that this work, planned for the immediate post-war years, would increase the cultivable land by approximately 1,380,500 acres.

French Morocco

NEED FOR AGRICULTURAL MACHINERY

Agricultural machinery is reported to be urgently needed in French Morocco. In 1944 about 100 tractors were imported, but these met only 20

per cent of the pressing demand. Farm machinery is badly depreciated due to the absence of replacements during the war and spare parts have been obtained only in small quantities so that much machinery is idle.

India

FOREIGN TRADE, APRIL-SEPTEMBER, 1944

During the six months ended September 30, 1944, the value of India's import trade amounted to Rs.939,018,656 (one rupee equals approximately Can.\$0.335) as compared with Rs.522,241,477 during the corresponding months of 1939, while export values increased to Rs.1,092,258,841 from Rs.934,353,833.

The large increase in the former was based on imports from Iran, the United States, United Kingdom, Kenya, and Egypt, and involved such commodities as raw cotton, chemicals, oils, and machinery; but full details are not available.

Imports from Canada declined from Rs.15,427,355 in April-September, 1943, to Rs.15,213,219 during these months of 1944. Exports of Indian goods to Canada increased in value from Rs.22,171,659 to Rs.29,169,320.

BUSINESS ACTIVITY

A well-known index of Indian business activity, compiled up to November, 1944, shows a figure for that month of 122.0 as compared with the base of 100 for the fiscal year 1935. At this level there was some recession from the record of the previous month but an appreciable increase over comparable data for the preceding half year.

The persistent coal shortage has led to declining production in the jute and paper industries. The output of cotton manufactures has, however, been maintained at high levels as a result of keen demand from the services and the domestic market. Coal production and internal trade activity have suffered from a shortage of labour in some areas and congestion of railway traffic. Cheque clearances have reached a

record level due to abnormal activity in the stock markets.

INDIAN RAILWAYS

India's state railways, operating an average mileage of over 40,000 miles, showed considerably improved returns in 1943-44 over the previous year. Gross earnings increased from Rs.1,678,900,000 to Rs.1,988,000,000 (about \$663,000,000) and net revenues from Rs.813,700,000 to Rs.849,400,000 (about \$283,000,000). Working expenses increased from Rs.865,200,000 to Rs.1,138,600,000 and the operating ratio from 51.53 to 57.28.

The surplus earned during the year, after deducting interest charges, was Rs.508,400,000 as compared with the previous year's figure of Rs.450,700,000. Of this amount the sum of Rs.376,400,000 was turned over to the Central Government's general revenue account.

It is expected that the state railway system will show a net revenue of Rs.698,200,000 during the year 1944-45 and that this will produce a surplus of Rs.420,000,000, of which Rs.320,000,000 will be credited to general revenues, the balance being allotted to the railway reserve fund. An estimate of 1945-46 earnings shows a similar contribution to general reserve account and a decline in the amount to be paid to the railway reserve to Rs.45,100,000.

IMPORTS OF MOTOR VEHICLES

The Government has announced that arrangements have been made for the purchase of some 2,000 motor vehicles from the United Kingdom in order to relieve the shortage in the civilian market, according to a report dated March 16 from the Canadian Trade Commissioner at Bombay. These stocks will be supplied by the Austin Motor Car Co. and will be mostly of 10 h.p.

INDIA'S RESOURCES

The Industrial Adviser to the Government of India, in a recent radio broadcast on the subject of India's

resources and post-war industrial potentialities, on the credit side rated the country's manpower as of primary importance, followed by her coal reserves as a source of steam and electric power. Next in importance he placed the water-power resources and iron ore deposits, the latter fortuitously located in close proximity to the principal coal fields and the ore being generally of high grade. Added to these are the large cattle population, a valuable source of hides and skins, and the agricultural lands producing oilseeds, sugar cane, wool, coir, copra, resins, and essential oils. In contrast, he pointed out, India is deficient in the production of such vital metals as tin, lead, and zinc and her oil fields supply only a minor part of the country's average requirements. Such other industrial materials as sulphuric acid and phosphorous are also in short supply and must be procured from abroad.

Among various preliminary suggestions regarding industrial development, the Adviser recommended the development of oil, soap, and paint industries, based on the use of indigenous materials, and the expansion of the jute industries to include the manufacture of linen, twine, and rope.

Newfoundland

FISH FOR THE UNITED KINGDOM

The Commissioner for Natural Resources attended meetings at the beginning of March in New York at which the general fish supply position for Allied countries was examined and a survey made for the quantities of fish to be produced in 1945 and the quantities required by each country. It was announced that after requirements were cut to a minimum it was apparent the demand would exceed the supply. At subsequent meetings with representatives of the British Ministry of Food, discussions took place concerning the supply of frozen cod fillets, salmon, and halibut to the United Kingdom and certain Continental areas. The quantity required in 1945 is substan-

tially greater than in 1944 and, in announcing the importance of making increased supplies available, the Commissioner for Natural Resources stated that it was hoped Newfoundland producers would make every effort to secure as large quantities as possible. Details concerning prices and arrangements for shipping are now being discussed.

Peru

NEW HOSPITALS TO BE CONSTRUCTED

Projects for two 850-bed tuberculosis hospitals—one at Trujillo to serve northern Peru, the other at Arequipa for southern Peru—to be constructed by the Peruvian Ministry of Public Health, have been approved by the Peruvian Government, reports the *Foreign Commerce Weekly*. Both of these offer likely future opportunities for the sale of hospital equipment. Construction of a national tubercular hospital near Lima was begun in June, 1944, by the Ministry. It also will have 850 beds.

United Kingdom

ACTIVITIES OF BRITISH OVERSEAS AIRWAYS IN 1944

During 1944 aircraft of British Overseas Airways flew an average daily distance of over 51,000 miles, equiva-

lent to more than twice round the world, according to recently issued provisional figures for the year. These show a great expansion in every branch of its activities. Total mileage flown was nearly 19,000,000—an increase of almost exactly 50 per cent over the 1943 total. The number of passengers carried was approximately 101,000, an increase of more than 50 per cent; cargo carried showed an increase of 69 per cent; and mail of over 51 per cent. Since the beginning of the war the Corporation's aircraft have flown more than 57,000,000 miles.

The Corporation is operating well over 50,000 miles of routes, including two across the Atlantic, one by flying-boats and the other by landplanes. The latter is the Return Ferry Service, now in its fourth winter of operations. B.O.A.C. also runs services to Stockholm, Lisbon, Madrid; to North and West Africa, to Egypt and South Africa. There is a regular service via India to Australia, run in conjunction with Qantas Empire Airways; covering 13,000 miles, it is the longest civil air route in the world. It also operates a network of services radiating from Cairo to Persia, Turkey, Abyssinia, and other countries, and via Aden and Southern Arabia to India.

CORRESPONDENCE WITH LUXEMBOURG AND YUGOSLAVIA

The Secretary of State of Canada recently gave notice, under the provisions of the Revised Regulations Respecting Trading with the Enemy, with respect to Luxembourg and liberated areas in Yugoslavia that, if and when communication services are officially re-opened by the respective Canadian authorities, persons residing in Canada may communicate with and receive communications from persons residing in such areas with respect to personal, business, financial and commercial matters, but that no actual trading shall

take place, the purpose of this permission being merely to re-establish business contacts and exchange information. Banks and other financial institutions may reply to requests for information from their depositors, and documents such as birth, death and marriage certificates, wills and other legal notices may be transmitted, but no action shall be taken to transmit any powers of attorney, proxies, payment orders or other legal documents without special permission from the Custodian.

CANADA'S DOMESTIC EXPORTS IN MARCH

The value of Canada's domestic merchandise exports in March, 1945, amounted to \$301,175,000 as compared with \$282,682,000 for the corresponding month of 1944, an advance of 6.5 per cent. A feature of the March trade was the shipment of goods of Canadian production to Poland to the value of \$827,000. The first mention of Poland in Canada's trade returns since the early months of the war was in February, 1945, when the value of exports to that country was \$514,000.

Merchandise exports in March included items intended mainly for war purposes to the value of \$143,931,000 as compared with \$146,729,000 in March, 1944. Among the war supplies exported were tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies, and Canadian army stores. Exports during the first three months of the current year were valued at \$768,037,000 as against \$751,862,000 in the same period of 1944, an increase of 2.2 per cent.

Leading Markets

Exports to countries of the British Empire were valued at \$154,938,000 as compared with \$135,507,000 in March of last year, an increase of 14.3 per cent, the total for the first three months of this year advancing to \$376,113,000 from the first-quarter value for 1944 of \$355,735,000, or by 5.7 per cent. Exports to foreign countries were valued at \$146,237,000 as against \$147,175,000 in March last year, the total for the first quarter of this year amounting to \$391,924,000 as compared with \$396,127,000 in the like period of 1944.

Commodity exports to the United Kingdom were valued at \$108,802,000 as compared with \$110,362,000 in March of last year, the total for the three months ending March standing at \$259,483,000 as against \$283,358,000 for the same period of 1944. Exports to the United States were valued at \$103,343,000 as compared with \$97,382,000, and for the three months at \$279,564,000 as compared with \$274,-

357,000. Exports to British India rose to \$31,930,000 from \$6,939,000, and for the three months to \$72,033,000 from \$26,588,000 in 1944.

Merchandise exports to other leading countries in March were as follows, totals for March, 1944, being shown within parentheses: Italy, \$14,346,000 (\$25,350,000); France, \$6,380,000 (nil); Egypt, \$5,743,000 (\$9,565,000); Russia, \$4,655,000 (\$2,968,000); Newfoundland, \$2,972,000 (\$2,829,000); British South Africa, \$2,956,000 (\$2,707,000); Trinidad and Tobago, \$1,274,000 (\$1,438,000); French Possessions, \$1,760,000 (\$1,459,000); Switzerland, \$1,380,000 (\$1,638,000); Jamaica, \$952,000 (\$1,292,000); Greece, \$900,000 (\$651,000); New Zealand, \$867,000 (\$1,372,000).

Principal Commodities

Among the commodity exports, animal products were a feature, March shipments being valued at \$40,989,000 as compared with \$30,160,000 in March of last year. Exports of meats were valued at \$21,761,000 as against \$19,147,000; fishery products, \$5,447,000 (\$3,858,000); and eggs \$6,281,000 (\$861,000). March exports of agricultural products were valued at \$41,949,000 as compared with \$44,396,000, including wheat to the value of \$12,971,000 as against \$20,458,000, and wheat flour \$8,188,000 as compared with \$7,786,000.

Wood and paper exports in March were valued at \$39,149,000 as compared with \$34,731,000 in March, 1944, including newsprint to the value of \$14,125,000 (\$12,523,000); planks and boards, \$7,467,000 (\$5,951,000), and wood-pulp \$9,845,000 (\$8,433,000). Exports of motor vehicles and parts were valued at \$41,634,000 as compared with \$47,457,000, and chemicals at \$12,924,000 as against \$7,973,000.

Exports of other leading commodities in March were as follows, totals for March, 1944, being shown within parentheses: fruits, \$1,216,000 (\$307,000); vegetables, \$2,777,000 (\$1,115,000); alcoholic beverages, \$2,593,000 (\$1,543,000); seeds, \$3,024,000 (\$1,260,000);

furs, \$2,527,000 (\$3,120,000); cheese, \$1,692,000 (\$608,000); cotton and products, \$1,452,000 (\$916,000); wool and products, \$1,916,000 (\$1,767,000); pulpwood, \$1,241,000 (\$1,645,000); rolling-mill products, \$1,610,000 (\$697,000); farm implements, \$1,598,000 (\$1,533,000); machinery, other than farm, \$1,900,000 (\$1,872,000).

Exports by Principal Countries

	Month of March 1945	Thousands of Dollars		Three months ended March 1945	1944
		1945	1944		
All countries	301,175	282,682	768,037	751,862	
Empire countries	154,938	135,507	376,113	355,735	
British East Africa	187	680	1,102	1,241	
British South Africa	2,956	2,707	7,478	5,368	
Southern Rhodesia	188	87	526	258	
British West Africa	108	173	303	788	
Bermuda	222	255	741	878	
British India	31,930	6,939	72,033	26,588	
Ceylon	379	368	1,776	945	
British Guiana	590	559	1,381	1,450	
Barbados	248	385	578	786	
Jamaica	952	1,292	3,257	2,576	
Trinidad and Tobago	1,274	1,438	3,471	3,448	
British West Indies, other	603	562	1,305	1,331	
Newfoundland	2,972	2,829	8,291	7,828	
Australia	581	4,197	5,892	11,181	
Fiji	5	17	15	187	
New Zealand	867	1,372	4,002	4,363	
Palestine	349	83	556	200	
Eire	698	866	2,062	2,012	
United Kingdom	108,802	110,362	259,483	283,358	
Foreign countries	146,237	147,175	391,924	396,127	
United States	103,343	97,382	279,564	274,357	
Argentina	487	312	1,058	988	
Belgium	718	...	742	...	
Belgian Congo	64	51	124	685	
Brazil	723	547	1,789	1,271	
Chile	216	66	421	153	
China	17	3,611	22	6,662	
Colombia	411	177	677	370	
Cuba	411	258	1,144	999	
Czechoslovakia	78	...	252	...	
Egypt	5,743	9,565	13,072	29,229	
France	6,380	...	12,695	...	
French Possessions	1,760	1,459	4,071	7,615	
Greece	900	651	1,646	2,347	
Guatemala	15	41	70	93	
Haiti	36	75	98	141	
Iceland	512	162	868	688	
Iraq	90	168	433	1,458	
Italy	14,346	25,350	46,291	38,179	
Mexico	680	588	1,861	1,495	
Netherlands West Indies	51	17	149	66	
Nicaragua	38	25	96	50	
Panama	53	90	153	181	
Persia	25	4	158	306	
Peru	189	131	511	350	
Poland	827	...	1,342	...	
Portugal	22	25	135	124	
Portuguese Africa	73	63	539	113	
Russia	4,655	2,968	13,637	17,303	
San Domingo	55	16	135	104	
Spain .....	...	...	400	...	
Switzerland	1,380	1,638	3,527	2,630	
Turkey	17	1,206	137	6,306	
Hawaii	312	31	1,036	230	
Puerto Rico	277	39	575	392	
Uruguay	91	74	235	390	
Venezuela	404	133	626	381	
Yugoslavia	373	...	411	...	

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of March and the three months ended March, 1944 and 1945:—

Exports by Principal Commodities

	Month of March 1945	1944	Month of March 1945	Three months ended March 1945	Three months ended March 1944
			Thousands of Dollars	1945	1944
Total domestic exports*	301,175	282,682	768,037	751,862	
Agricultural products	41,949	44,396	100,678	129,870	
Fruits	1,216	307	3,188	1,407	
Vegetables	2,777	1,115	7,267	2,947	
Grains	16,378	23,433	38,447	79,455	
Barley	275	1,003	1,124	1,714	
Wheat	12,971	20,458	28,842	71,798	
Wheat flour	8,188	7,786	20,630	19,725	
Alcoholic beverages	2,593	1,543	7,161	4,909	
Seeds	3,024	1,260	6,004	3,007	
Animal products	40,989	30,160	95,563	91,402	
Cattle (except for stock)	388	418	922	924	
Fishery products	5,447	3,858	14,213	14,089	
Furs (chiefly raw)	2,527	3,120	9,091	10,845	
Hides, raw	1	67	34	172	
Leather, unmanufactured	332	256	857	802	
Leather, manufactured	377	249	725	714	
Meats	21,761	19,147	48,986	52,028	
Butter	219	128	462	345	
Cheese	1,692	608	3,598	4,195	
Eggs	6,281	861	10,488	3,019	
Fibres and textiles	7,968	3,630	17,655	10,638	
Cotton and products	1,452	916	3,525	1,796	
Flax and products	372	161	469	768	
Wool and products	1,916	1,767	4,649	5,020	
Artificial silk and products	424	259	2,167	1,519	
Wood and paper	39,149	34,731	104,052	93,897	
Planks and boards	7,467	5,951	20,492	17,194	
Timber, square	40	40	190	130	
Shingles	782	610	2,038	1,589	
Pulpwood	1,241	1,645	4,136	4,739	
Wood-pulp	9,845	8,433	24,385	21,327	
Paper, newsprint	14,125	12,523	37,293	34,899	
Iron and products	67,620	79,540	177,662	179,427	
Pigs, ingots, etc.	1,982	956	4,464	4,234	
Rolling-mill products	1,610	697	2,844	1,705	
Tubes and pipes	360	146	793	668	
Farm implements	1,598	1,533	4,037	3,499	
Hardware and cutlery	335	261	874	797	
Machinery, other than farm	1,900	1,872	5,994	4,291	
Motor vehicles and parts	41,634	47,457	113,198	104,090	
Non-ferrous metals (excluding gold)	40,356	28,910	105,624	79,152	
Non-metallic minerals	4,628	4,797	12,788	13,424	
Coal	466	449	1,337	1,371	
Petroleum	354	301	1,613	805	
Stone	1,306	1,699	3,436	4,800	
Chemicals	12,924	7,973	31,612	24,443	
Acids	354	38	685	451	
Fertilizers	2,372	2,524	7,623	6,998	
Soda compounds	607	384	1,564	1,337	
Miscellaneous	45,592	48,546	122,402	129,610	
Electric energy	434	584	1,434	1,935	
Films	202	221	722	380	

*March totals include exports of items mainly for war purposes, such as tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies and Canadian army stores, valued at \$143,931,000 in March, 1945, and \$146,729,000 in March, 1944. The percentage of war materials in other items cannot be ascertained.

TRADE REGULATIONS AND TARIFF CHANGES

United Kingdom

IMPORT LICENSING POSITION AS AT
APRIL 9, 1945

The Import Licensing Department of the Board of Trade has issued Notice to Importers No. 163, showing the import licensing position in the United

Kingdom as at April 9, 1945. The notice reads as follows:

NOTE.—Since Notice to Importers No. 152* was published in May, 1942, certain changes have been made, as announced in Notices Nos. 153-62. These changes have been incorporated in this Notice, which in

*Notice 152 was reprinted in *Commercial Intelligence Journal* No. 2007 (July 18, 1942), page 73.

consequence embodies the contents, so far as they are still relevant, of all previous Notices.

1. Scope of Control. Under the Import of Goods (Control) Order, 1940, which came into force on the 10th June, 1940, no goods (except live quadruped animals) may be imported into the United Kingdom except under the authority of a licence granted by the Board of Trade. This includes goods entered with H.M. Customs as in transit or for transhipment.

2. Open General Licence. A separate licence is not required for any goods covered by an Open General Licence issued by the Board of Trade, but that licence does not authorize or permit the importation of any goods for exportation after transit through the United Kingdom or by way of transhipment. An Open General Licence has been issued in respect of:—

(a) Goods shown in Appendix I consigned from any country.

(b) Goods shown in Appendix II which are consigned from any part of the British Empire, subject to the condition, except as respects Palestine and Transjordan, that a claim to Imperial Preference is established in respect of any duty of Customs to which the goods as a whole may be liable on importation into the United Kingdom.

(c) Goods shown in Appendix III consigned from Eire.

3. Applications for Licences. Applications for licences should in general be addressed to the Import Licensing Department, 1-6, Tavistock Square, London, W.C.1, or as before to the Ministry of Supply Controls in respect of certain raw materials, to the Ministry of Food in respect of foodstuffs and essential oils and to certain other Government Departments in respect of certain other goods. If an importer is in any doubt he should address his application to the Import Licensing Department.

Forms of application may be obtained from the Import Licensing Department or from any of the offices of Collectors of H.M. Customs and Excise. Special forms should be used for applications to import machinery and for transhipment and transit applications.

4. Postal Importations. An importer who wishes to import goods by post must say so on his application form. Standard licences are not valid for postal importations.

5. Payments for Imports. The issue of an import licence in no way implies that the licence holder is likely to receive permission to make payment otherwise than (a) in the currency of the country of origin of the goods to be imported, or (b) in sterling payable to that country in the manner prescribed by the Exchange Control. Importers who require to make payment in any other way should explain their reasons when apply-

ing for an import licence. If they fail to do this, they may find that the Banks have no authority to make an exception to the general rule.

6. Shipment in anticipation of Licence. Importers are warned that they should not arrange to ship any goods to the United Kingdom until they have obtained a licence or have ascertained definitely that a licence will be granted or that a separate licence is not required.

7. Shipping Advices. To avoid danger to shipping, importers are requested to arrange with their overseas suppliers, agents or shippers that the names of ships shall never be coupled with dates of sailing or with ports of shipment in cables or telegrams.

8. Shipping Space. Importers are reminded that the grant of an import licence is not a guarantee that shipping space will be provided.

9. Losses in Transit. Importers should in all cases inform the Import Licensing Department whenever goods dispatched to them from abroad which are covered by licences have been lost in transit to this country. The Department will then give consideration to the question whether permission may be given for the importation of further goods to replace those lost.

10. Exceptions from Licensing. As a concession, licences will not be required for goods imported in the following circumstances:—

(a) *As bona fide trade samples* provided that the Officer of Customs and Excise at the place of importation is satisfied that the quantities are not excessive in relation to the nature of the goods concerned. This concession is normally limited to one reasonable sample of each type or variety of goods. In cases of doubt the importer should make application to the Import Licensing Department before shipping.

(b) *As personal or household effects* of crews or passengers by sea or air provided these are duly declared and produced to the Officer of Customs and Excise at the port of importation and that it is established to his satisfaction.—

(i) that they are not being imported as merchandise or for sale but are intended for the personal or household use of the member of the crew or passenger; and

(ii) that the quantities are reasonable. In the case of foodstuffs the concession is limited as follows:—

(a) persons arriving from Eire: 7 lbs. in all. No one foodstuff to exceed 2 lbs.

(b) persons arriving from other countries: 25 lbs. in all. No one foodstuff to exceed 5 lbs.

(c) *As gifts* addressed to individuals in this country provided that they—

(i) are *bona fide unsolicited gifts* not imported as merchandise or for sale;

- (ii) are sent by parcel post clearly marked as gifts;
- (iii) are not sent more often than once a month; and
- (iv) do not weigh more than 5 lbs. gross or include more than 2 lbs. of any one foodstuff.

The above concessions do not relieve goods from liability to any appropriate Customs duty and/or Purchase Tax, nor do they apply to arms and ammunition, plumage, postage stamps and other articles of philatelic interest, or to articles subject to special prohibition or restriction, e.g. dangerous drugs.

11. Offences. In general, goods not covered by an Open General Licence (see paragraph 2) or by one of the concessions set out in paragraph 10 above are, in the absence of a valid import licence, deemed to be prohibited goods and are liable to forfeiture under the Customs Acts. These Acts also provide heavy penalties for smuggling, false declarations, evasion of prohibitions, and against persons dealing with prohibited goods.

12. Changes in Regulations. The attention of importers is directed to the fact that Import Licensing Regulations, and the list of goods which may be imported under Open General Licence, are subject to alteration; the position set out in this Notice is a summary of the regulations in force on the 9th April, 1945. Changes are announced in Notices to Importers issued from time to time by the Import Licensing Department.

APPENDIX I

Goods which can be imported without separate licences from any country (see paragraph 2)

Fish, fresh (other than frozen) except salmon, grilse and trout.

Shellfish, fresh or boiled (not being in airtight containers), the following: Prawns, Shrimps, Winkles, Mussels, Cockles.

Animal ivory, raw, whether whole tusks or sections of tusks, not cut to shape or in any way prepared, treated or worked.

Books, printed, and other printed matter for reading purposes, music, catalogues, trade lists, advertising material, manuscripts, type-scripts and like products of duplicating machines, imported as a single copy through the post.

(N.B. A package may not contain more than one article.)

Coal, including lignite.

Coke and manufactured solid fuel, excluding petroleum coke and pitch coke.

Designs, architectural or engineering.

Film, cinematograph, exposed of a width of 1½ inches only.

Gold ores, concentrates and residues.

Gold bullion.

Gold coin.

Hydrographic charts.

Maps and plans.

Newspapers.

Press photographs.

Pigeons (live), imported under Air Ministry licence.

APPENDIX II

Goods which can be imported without separate licences if consigned from any part of the British Empire, subject to certain conditions (see paragraph 2)

Crude cobalt-iron-copper alloy.

Jute, raw.

Kyanite.

Monazite sand.

Nickel ores, concentrates, residues and matte.

Precious and semi-precious stones and pearls, not drilled, mounted or set, excluding cut diamonds.

Sillimanite.

Tin, in blocks, ingots, bars and slabs.

APPENDIX III

(Goods which can be imported without separate licences if consigned from Eire—see paragraph 2.)

British Guiana

BULK PURCHASING REGULATIONS MODIFIED

In a notice of March 28 to importers, the British Guiana Controller of Supplies announced that, on instructions received from the United Kingdom authorities, the following items will no longer be subject to bulk purchase, and commercial licences will be issued based on 1938-39 importations:—

Unmanufactured and semi-manufactured iron and steel; hand tools (files and rasps, pincers and pliers, nippers, handsaws of all types excluding hand hacksaw blades and frames), wood-boring augers, carpenters' bits (auger bits and brace bits), wood chisels, carpenters' gauges, nail pullers, spoke shaves, feeler gauges, steel rules, steel tapes, bolt cutters, pipe cutters, cramps and clamps, jacks of all types, and carpenters' metal planes; agricultural and heavy edged tools; engineers' carpenters' tools; machine tools.

IRON AND STEEL PRODUCTS REMOVED FROM BULK PURCHASING

Importers were notified on March 28 by the British Guiana Controller of Supplies that licences will be considered from established importers to permit them to order through commercial channels the following unmanufactured and semi-manufactured

iron and steel products which have previously been subject to bulk purchase:—

Ingots, billets, blooms and slabs (excluding steel shells); plates, medium plates, angles, channels, tees, joists, piling sections, other sectional materials, rounds, rods, squares, hexagons, flats, other sections and shapes (whether black or bright); rails, sleepers, fishplates, soleplates; tin plates (including tinned sheets), terne plates (including terne sheets), black plates (including silver finished plates); steel tubes and pipes (including imported hollows); hoops, strips (whether coated or uncoated and whether hot or cold rolled); tires, axles and wheels, steel castings, forgings and stampings, colliery

arches and accessories therefor, pit props, steel bolts and nuts, screw-studs and washers, rivets and screws, railway springs (whether laminated or coiled); buffers, wire rods, coated or uncoated wire (whether plain or barbed), wire rope, wire strand, wire netting, wire chain-linked fence, wire mesh, wire nails (excluding boot and shoe grinder Y), wire staples (excluding machine staples); constructional steel (whether fabricated or not) for inclusion in the structure of a building; pig and foundry iron, iron castings; and wrought iron.

It is pointed out that bulk indents outstanding with the British Colonies Supply Mission will be filled unless importers are advised to the contrary.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to March 31, 1945:

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to March 31, 1945	
Whole milk	Gal.	3,000,000 per calendar year	6½ to 3¼ per gal.	7,058	....
Cream	Gal.	1,500,000 per calendar year	56% to 28¾c. per gal.	222	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	15,000,000 per calendar year	2½ to 1¾c. per lb.	7,849,553‡	52.3
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1944	75 to 37½c. per 100 lb.	Quota filled	
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1944	75 to 60c. per 100 lb.	Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	Quota filled
Red cedar shingles	Sq.	1,727,242		418,387	24.2
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1944	50 to 35% ad val.	39,782†	39.7
Tails	Piece	5,000 beginning Dec. 1, 1944	50 to 35% ad val.	....	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† Imports of foxes valued under \$250 each and whole furs and skins from countries other than Canada amounted to 468 for the period December 1, 1944, to March 31, 1945.

‡ This figure includes fish from other countries as well as Canada. The statement by the Treasury Department gives no indication of the proportion of these imports supplied by Canada.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 23, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, April 23, 1945, and for the week ending Monday, April 16, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 16	Nominal Quotations in Montreal Week ending April 23	Official Bank Rate
Great Britain	Pound	4.866			
	Buying	\$4.4300	\$4.4300	2	
	Selling	4.4700	4.4700	—	
United States	Dollar	1.0000			
	Buying	1.1000	1.1000	1	
	Selling	1.1100	1.1100	—	
Mexico	Peso	.4985	.2284	.2284	
Jamaica	Pound	4.8666		4	
	Bid	4.4200	4.4200	—	
	Offer	4.4800	4.4800	—	
Other British West Indies	Dollar	1.0138	.9313	.9313	
Argentina	Peso (Paper)	.4245			
	Official	.3304	.3304	3½	
	Free	.2755	.2755	—	
Brazil	Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—	
	Free	.0575	.0575	—	
British Guiana	Dollar	1.0138	.9313	.9313	
Chile	Peso	.1217			
	Official	.0574	.0574	3-4½	
	Export	.0444	.0444	—	
Colombia	Peso	.9733	.6325	.6325	
Venezuela	Bolivar	.1930	.3330	.3330	
Uruguay	Peso	1.0342			
	Controlled	.7307	.7307	—	
	Uncontrolled	.6022	.6024	—	
South Africa	Pound	4.8666			
	Bid	4.3862	4.3862	3	
	Offer	4.4590	4.4590	—	
Egypt	Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—	
	Offer	4.5906	4.5906	—	
India	Rupee	.3650	.3359	.3359	
Australia	Pound	4.8666		3	
	Bid	3.5300	3.5300	—	
	Offer	3.5760	3.5760	—	
New Zealand	Pound	4.8666			
	Bid	3.5440	3.5440	1½	
	Offer	3.5940	3.5940	—	

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

	Page	Page	
United Kingdom Coal Mining Industry	377	Trade Regulations, etc.—Con.	
Suggestions to Importers of Indian Products	379	South Africa: Importation of Vegetable Seeds Restricted	391
United States Ceiling Price on Canadian Frozen Blueberries	382	United Kingdom: Tariff Proposals in Budget	391
Argentina as a Market		Venezuela: Modus Vivendi with Canada Renewed	392
3. Imports of Canadian Interest	383	Mail Service to Belgium and Greece	392
4. Canadian Purchases from Argentina	390	Foreign Exchange Quotations	393
Trade Regulations and Tariff Changes:		Condensed List of Publications	394
Australia: Import Licensing Regulations Amended	391	Commercial Intelligence Service	395

UNITED KINGDOM COAL MINING INDUSTRY

By J. A. Langley, *Canadian Trade Commissioner at London*

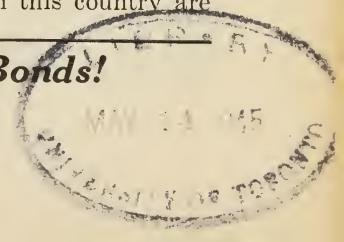
The unsatisfactory condition of the United Kingdom coal mining industry is causing considerable concern to the United Kingdom authorities. Production has been steadily declining, and costs have been rising. Coal is of the utmost importance to the whole fabric of United Kingdom industry, and Canada is interested not only as a buyer of United Kingdom coal but also because the measure of prosperity which Britain is able to attain after the war will affect her ability to import goods from abroad.

Particular importance, therefore, is attached to a White Paper recently issued by the Ministry of Fuel and

Power containing the report of a committee of mining engineers appointed "to examine the present technique of coal production from coal face to wagon, and to advise what technical changes are necessary in order to bring the industry to a state of full technical efficiency".

The report contains the accompanying statistical table which graphically illustrates the relatively poor progress achieved in coal productivity in the United Kingdom in the immediate pre-war period when compared with that attained in neighbouring European countries where conditions are similar. Natural conditions in this country are

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greatly inferior to those found in the United States, and comparisons with that country are therefore not valid.

Comparative Figures of Production

	Basic Year	Output per man- shift in B. Year	Output per man- shift in 1936	In- crease Per Cent
		Cwt.	Cwt.	Per Cent
Poland ...	1927	23.44	36.20	54
Holland ..	1925	16.48	35.94	118
The Ruhr .	1925	18.62	33.66	81
Britain ...	1927	20.62	23.54	14

Reorganization of the Industry

Resulting from their exhaustive investigation of all technical aspects of the industry, the committee has formulated more than one hundred different conclusions and recommendations, mainly of a technical character.

The committee, however, states that it is evident to them that the changes suggested cannot be satisfactorily carried through by the industry as now organized. They consider that it is not possible to provide for the most efficient development and working of a coal area unless the conflicting interests of the individual colliery companies working the area are merged together into a compact and unified command of manageable size, with full responsibility, financial and otherwise, for the development of the area.

The committee, therefore, recommends that an authority should be established which would have the duty of ensuring that the industry is merged into units of such size as would provide the maximum advantages of planned production, of stimulating the preparation and execution of the broad plans of reorganization made by these units, and of conserving the coal resources of the country. The existence of such an authority, endowed by Parliament with really effective powers for these purposes is, in the opinion of the committee, a cardinal necessity.

As soon as the areas to be covered by the new units have been delimited and the mergers effected, a detailed and careful survey will be required by

the mining engineers of each unit in order that they may consider what mines should be remodelled, what new sinkings should forthwith be undertaken, which mines should be abandoned, and the cost of the changes.

What the committee describe as "a great pioneering task" awaits the employers and the mining engineers, which is nothing less than the rebuilding of the industry on the most modern lines. For this the best practices followed anywhere in the world, suitably adapted to British conditions, will alone suffice. They must be ready to scrap ruthlessly any methods or machines which are inadequate for the task ahead.

More Mechanization Required

Another important conclusion of the committee is the need for the introduction of more intensive mechanization at the coal face and of new systems of transportation underground by means of locomotive haulage. Taken together these technical advances will undoubtedly increase the output per manshift underground and substantially reduce the ratio of non-productive to productive workers, with resultant lowering of costs.

As regards the miners, the report states "they must accept the need for a higher standard of workmanship; they must welcome the introduction of machinery and do their utmost to see that it is made to give the greatest possible yield. They must recognize that the existing level of wages cannot be maintained without a large increase in output per manshift for all employed; that men will have to be transferred from one mine to another and in some cases even from one district to another; that double-shift working will very generally be essential; and finally, that an industry rebuilt in the way suggested cannot be expected to provide employment for anything approaching the number of unskilled men who are at present dependent upon it."

SUGGESTIONS TO IMPORTERS OF INDIAN PRODUCTS

By PAUL SYKES, Canadian Trade Commissioner at Bombay

(One rupee equals approximately \$0.335 Canadian)

The recent establishment of an Import Division of the Commercial Intelligence Service of the Department of Trade and Commerce in Ottawa suggests the desirability of supplying a few preliminary recommendations to Canadian manufacturing and import firms relative to the range of India's exports, the principal components in her exports to Canada in pre-war years, and some of the more important factors involved in the general technique of importing this country's products.

India's Export Trade by Commodities

The accompanying table shows the respective values of India's principal commodity exports during the years ending March 31, 1940, and March 31, 1944. The main features of the export trade, as shown by the table, are, apart from a reduction in total values from

Rs.2,039,398,857 to Rs.1,992,036,904, are the decline in export shipments of raw cotton manufactures, raw wool, raw jute, rice, and oilcakes and the improvement in values for tea, raw skins, mica, pig iron, and raw tobacco. These alterations in the value and composition of India's export trade by commodities are to be ascribed to wartime conditions as affecting local production and demand for various goods and to fluctuations in overseas requirements for the same or substitute materials.

Exports to Canada

The most recently available Indian statistics of exports to Canada are for 1939-40. However, these figures are indicative of the usual pre-war composition of such trade. It will be noted that its total is made up to a large extent by the values of tea and jute

India's Principal Commodity Exports in 1939-40

	Rs.1,000		Rs.1,000
Total value	2,039,399	Total value	1,992,037
Raw cotton	301,118	Tea	373,576
Tea	262,942	Cotton piece-goods	364,920
Jute gunny bags	254,627	Jute gunny cloth	289,582
Jute gunny cloth	224,432	Jute gunny bags	197,840
Raw jute	198,462	Raw jute	83,212
Groundnuts	71,901	Groundnuts	82,181
Cotton piece-goods	61,143	Raw cotton	63,635
Tanned or dressed hides	43,183	Raw skins	36,625
Raw skins	32,981	Cotton twist and yarn	31,487
Raw wool	32,335	Mica	28,040
Rice	32,210	Lac	22,955
Linseed	31,761	Tanned or dressed skins	20,447
Tanned or dressed skins	26,613	Tanned or dressed hides	20,229
Oilcake	20,290	Manganese ore	18,478
Lac	19,080	Raw wool	17,182
Coal	18,939	Cashewnuts	13,810
Manganese ore	18,274	Paraffin wax	12,247
Cotton twist and yarn	17,940	Linseed	11,098
Coir products	12,757	Pig iron	9,783
Raw rubber	9,376	Coir products	9,709
Raw hemp	8,649	Coffee	6,995
Raw skins	7,960	Raw hemp	6,725
Carpets and rugs	7,373	Raw tobacco	5,833
Coffee	7,315	Rape seed	5,714
Castor seed	7,140	Carpets and rugs	5,446
Wheat flour	6,819	Castor seed	5,312
Myrobalams	4,250	Raw hides	4,222
Paraffin wax	3,305	Cardamons	3,011
Rape seed	3,277	Live animals	2,391
Ghi	3,238	Sesamum	2,135
Bones and bone meal	3,064	Coal	2,108

shipments. Groundnuts, carpets and rugs, nuts, castor oil, raw cotton, lac, and rice made up a major part of the remainder. During the five years before the outbreak of war the value of all such business had undergone marked expansion, attributable in great measure to the arrangement for direct purchases by Canadian distributors and consumers in preference to routing the business through London, New York, or other trade centres.

India's Exports to Canada, 1939-40

	Rupees	Can.\$
Tea	18,158,000	6,053,000
Jute manufactures	17,261,000	5,754,000
Groundnuts	1,259,000	420,000
Carpets and rugs.....	812,000	271,000
Nuts	769,000	256,000
Castor oil	528,000	176,000
Raw cotton	273,000	91,000
Lac	253,000	84,000
Rice	178,000	66,000
Raw wool	100,000	33,000
Coffee	99,000	33,000
Mica	84,000	28,000
Coir manufactures	79,000	26,000
Rubber-soled shoes	63,000	21,000
Sporting goods	47,000	16,000
Drugs and chemicals	26,000	9,000
Dressed hides	22,000	7,000
Pepper	20,000	6,000
Works of art	17,000	6,000
Haberdashery	14,000	5,000
Miscellaneous foodstuffs	14,000	5,000
Paraffin wax	13,000	4,000
Brass manufactures	12,000	4,000
Raw hides	11,000	4,000
Cotton waste	7,000	2,000
Miscellaneous seeds	4,000	1,000
Dyeing and tanning materials	4,000	1,000
Cotton piece-goods	3,000	1,000
Total	41,022,000	\$13,674,000

The extent of wartime alterations in the business is shown in the following table compiled from Canadian trade returns for the calendar year 1943. Tea and jute cloth continue to be the principal items purchased from India, but various new commodities have been introduced into this market, and a number of others have disappeared owing to insufficient export capacity resulting from wartime conditions.

Canada's Imports from India, 1943

Jute cloth	\$ 8,197,000
Tea	7,032,000
Chrome ore	329,000
Raw jute	316,000
Raw hides and skins	254,000

Vegetable oils	227,000
Fertilizer materials	163,000
Leather and manufactures	122,000
Raw wool	63,000
Gums and resins	58,000
Dyeing and tanning materials.....	56,000
Carpets and rugs	53,000
Miscellaneous jute manufactures	31,000
Oxide of manganese	30,000
Seeds	30,000
Coir manufactures	23,000
Mica	23,000
Miscellaneous textiles	14,000
Nuts	13,000
Non-ferrous metals	12,000
Coffee	9,000
Furs	6,000
Miscellaneous vegetable products	6,000
Cotton manufactures	6,000
Spices	5,000

Total

\$17,090,000

Sources of Information Regarding Indian Products

Apart from such general data regarding Indian export trade and Canada's imports of Indian goods as shown in the foregoing tables and as published in Canadian trade returns, the most reliable and convenient source of information regarding such business is the Indian Government Trade Commissioner, Royal Bank Building, Toronto, the representative in Canada of the Department of Commerce, Government of India, New Delhi. The Trade Commissioner will normally be prepared to answer inquiries regarding the supply of various goods from Indian sources, to indicate the firms with whom such business may be arranged, and, when desirable, to transfer inquiries from Canadian importers to the Department of Commercial Intelligence and Statistics for circulation among Indian manufacturers and exporters with the suggestion that direct correspondence be developed.

The office of the Canadian Trade Commissioner at Bombay is seldom in a position to offer comprehensive or accurate advice on such matters, the subject being essentially the prerogative of the Indian Government.

Selection and Development of Business Connections in India

Canadian importers should exercise all possible care in selecting and developing business connections in this

country. It frequently happens that producers or others, however interested and reputable, attempt to handle export business, but, with no past experience, are unable to do so without causing endless trouble to themselves and their overseas connections. In other cases, firms with little or no experience in a particular trade will attempt to handle it along the same lines as an entirely different business, with the same results. Still other firms are given to ignoring their buyers' instructions as to packing, shipping, etc. For these and similar reasons the importer or agent should make the closest possible investigations into the standing and experience of any local firms with whom dealings may be contemplated, and should make no commitments until satisfied that good service will be provided. In many instances the employment of a buying and forwarding agent of sound standing and experience is well worth the small extra cost involved.

Shipping

Prior to the war the bulk of Canada's imports from India was shipped from main local ports directly to the Atlantic coast in United Kingdom or United States vessels operating via the Mediterranean and the Atlantic. Shipments to the Pacific coast were for the most part arranged with transhipment at Hong-kong. Certain goods in which the business has traditionally been controlled from the United Kingdom were transshipped at London or other ports, sometimes after grading, repacking or other treatment.

It is possible that post-war shipping services between India and Canada may offer more frequent, convenient, and speedy facilities than those of pre-war years. The necessity of transhipments may well be eliminated, while refrigerator space on direct vessels, hitherto unobtainable, may be one of the new advantages available.

The bulk of India's exports to Canada is dispatched from Calcutta. These cargoes comprise mainly jute cloth and

bags, tea, rice, carpets and rugs, mica, footwear, and paraffin wax. Exports from Bombay are made up of ground-nuts, raw and waste cotton, and various oils. Madras accounts for certain quantities of groundnuts, lac, leather, and coffee. Karachi handles raw cotton, carpets and rugs, nuts, and wool. Cochin cargoes are made up of coir products, coffee, and a variety of food-stuffs.

Seasonal fluctuations in the export of Indian raw and manufactured products are of comparatively small importance. There are recognized periods of each year when, for example, shipments of tea or groundnuts are considerably heavier than at others, but in general this need give little concern to Canadian importers. There is occasion, however, for consideration of the arrangement of deliveries to St. Lawrence ports during the season of open navigation in preference to discharge at Halifax or Saint John.

In this same connection it may be noted that various local firms who act as agents for shipping companies are at the same time engaged in business as merchants, agents, forwarders, etc., and in such capacity they are likely to prove a valuable type of connection for importers in other countries.

Payments

The question of payment for purchases of Indian goods need give little concern to Canadian importers or agents. Quotations are normally made in rupees, although they may occasionally call for payment in sterling in London. Rupee transfers can be arranged with a minimum of difficulty through Canadian banks and their local correspondents or, when required, the exporter's bank in this country.

As far as exchange rates are concerned, the rupee is normally subject to slight fluctuations in value, depending on its relationship with sterling and the price of silver, but such variations are normally of small extent and importance.

Summary

As already noted, the sale of Indian goods in the Canadian market is primarily the concern of the Indian Government and of local commercial interests and is assisted by the Indian Government Trade Commissioner in

Canada. This office will still be prepared to co-operate as far as possible with Canadian buyers of Indian commodities; correspondence in connection with such business should preferably be addressed originally to the Director of Imports, Department of Trade and Commerce, Ottawa.

UNITED STATES CEILING PRICE ON CANADIAN FROZEN BLUEBERRIES

By L. H. AUSMAN, Assistant Trade Commissioner at New York

By an amendment to Food Products Regulation No. 1, effective April 4, 1945, United States importers of straight-pack frozen wild blueberries processed in Canada or Newfoundland may not pay more than 24 cents per pound, duty paid, f.o.b. any port of entry.

At the same time the Office of Price Administration ruled that sales by wholesalers importing these berries for disposal to commercial, industrial and institutional users shall be subject to ceiling prices equivalent to "net cost" plus the mark-up of 29 per cent applicable to sales of domestic frozen blueberries. Currently the net cost may not exceed the importers' maximum purchase price of 24 cents per pound plus transportation cost to the importing wholesaler's customary receiving point. To this price may be added the usual one-eighth cent per pound per month to cover storage costs.

Frozen blueberries are usually imported in 20-, 24- and 30-pound con-

tainers in the so-called "straight-pack" style. If a ceiling price is needed for another style of pack, it may be obtained by making application to the Office of Price Administration.

Prior to the new amendment becoming effective, large commercial, industrial and institutional users could buy frozen blueberries direct from foreign processors without being subject to ceiling price restrictions and were paying as high as $27\frac{1}{2}$ cents per pound. Importing wholesalers, on the other hand, were limited to the usual markup on their April, 1943, costs, or roughly $17\frac{1}{2}$ cents per pound. The effect of the new regulation is to equalize the prices of imported and domestic berries and to permit smaller users who have to rely on wholesalers for their supplies to obtain them at the same price as is paid by their larger competitors.

Imports of frozen blueberries into the United States in recent years have been as follows:—

United States Imports of Frozen Blueberries

	From Canada		From Newfoundland	
	Lb.	\$	Lb.	\$
1940	4,341,662	286,968	6,262,703	393,108
1941	3,486,036	314,606	440,100	34,581
1942	1,741,633	229,811	*	*
1943	15,153,423	2,354,784	*	*

* Figures not available.

ARGENTINA AS A MARKET

3. IMPORTS OF CANADIAN INTEREST

By J. A. STRONG, *Commercial Attaché, Canadian Legation at Buenos Aires*

Canadian exports to Argentina had an annual average value of approximately \$5,000,000 over the five years 1940 to 1944. The peak figure was \$7,172,000 for 1941. The annual Argentine consumption of the principal commodities that Canada sells regularly to Argentina approximates \$30,000,000, but more than 50 per cent of this figure is represented by newsprint and farm machinery.

The United Kingdom exported approximately \$100 million worth of goods annually to Argentina before the war. Textiles, coal and tinplate alone accounted for 60 per cent of this figure. Tea, Scotch whisky, live-stock anti-septics, paraffin, bicycles and parts, railway materials for the British-owned railways, porcelain goods and petroleum made up about 15 per cent, leaving \$25,000,000 to cover all other goods.

The United States in pre-war years sold to Argentina goods with an aggregate value of approximately \$80,000,000 annually. Automobiles, trucks and other automotive products, petroleum and farm implements alone accounted for 53 per cent of this figure. After allowing for resins, caustic soda, paraffin, pitch pine and oak lumber, electric-refrigerator parts, typewriters, tinplate, sulphur, oil-drilling equipment, films and radio and telephone parts, there was \$26,000,000 left annually for all other merchandise shipped from the United States to Argentina.

Canada competes in farm implements, but otherwise has not participated in the past in supplying the particular items listed in supplies from the United Kingdom and the United States. There are other less important individual items peculiar to the United States and the United Kingdom. In addition, such local enterprises as the railways, meat-packing plants, electric power plants, telephones and other

public utilities, as well as local manufacturing plants controlled by British or American capital, give a decided preference in their purchases to products from their respective countries.

The principal competition for regular items of export from Canada are: newsprint from the Scandinavian countries and Finland; farm machinery from the United States; asbestos fibre from Rhodesia; shovels from the United Kingdom; wallpaper from the United Kingdom; Douglas fir lumber from the United States; loom needles from Switzerland and other countries; fresh apples from the United States; refractories from the United Kingdom, United States and Europe; steel pipes from the United States, England and some other countries; copper wire and cable from the United Kingdom and the United States.

The principal commodities which Canadian firms sell regularly in this market are: newsprint, farm machinery, Douglas fir lumber, ferro-alloys, tool and alloy steels, calcium carbide, loom needles, seed potatoes, fresh apples, steel piping, special brass valves, asbestos fibre and manufactures, raw furs, rubber goods, battery parts, copper wire and cables, bronze and aluminium powder, linoleum, wallpaper, wallboard, refractories, quality brushes, copper rivets, nickel, whisky, shovels, abrasives, lamp mantles and accessories, lenses and sun-goggles. Other commodities sold by Canada include: wood-pulp for rayon and paper making, plywood, aluminium ingots, film, kraft paper, book paper and certain special papers, sewing-machines, lawn-mowers, dried codfish, hops, fish oil, pedigreed poultry, quality leather, rayon goods, window glass, telephone materials, spark plugs and other auto parts, and drugs.

*Canadian Exports to Argentina**

	1939	1940	1941	1942	1943
	Figures in Canadian Dollars				
Newspaper	1,618,967	3,758,276	4,820,474	1,830,460	2,453,427
Farm implements	1,191,451	949,011	152,007	131,816	96,356
Lumber	35,775	15,348	397,141	138,897	...
Asbestos fibre	106,509	...	255,398	211,449	314,889
Calcium carbide	...	107,111	130,379	124,795	213,121
Loom needles	27,584	23,704	39,510	137,901	212,983
Fresh apples	13,516	64,939	35,246	45,600	...
Rubber goods	76,859	36,245	13,883	3,032	...
Battery parts	17,249	55,611	61,127	32,502	4,411
Seed potatoes	645,708	261,325	122,512	1,695	...
Furs	190	5,582	17,888	227,054	164,835
Steel piping	104,290	3,575	86,346	3,407	...
Copper wire	65,150	54,295	155,350	13,075	...
Sewing machines	...	...	...	237,938	...
Automobiles	800	...	2,261	172,188	...
Plywood	...	...	35,851	7,764	...
Wood-pulp	...	40,613	38,952	...	...
Cardboard	6,767	...	...	...	...
Kraft paper	...	12,179	68,667	...	...
Wallboard	1,578	5,137	26,134	47,091	7,295
Wallpaper	...	3,880	3,605	11,422	6,094
Shovels	27,656	51,042	53,741	6,280	...
Machinery	19,936	16,942	71,472	2,996	1,630
Tools	42	9,867	...	...	...
Alloy steel	...	27,293	7,267	210	947
Lamp accessories, etc.	18,606	12,200	705	437	12,422
Iron valves	2,416	60,007	21,494	47,650	...
Metal screens	...	950	...	977	...
Vegetable fats	...	33,539	28,824	...	...
Flaxseed	...	...	524	11,550	305
Whisky	356	1,058	83	11,054	26,021
Seneca root	...	545	3,663	4,733	...
Codfish	...	...	5,403	5,528	...
Fish oil	...	...	35,708	63,340	30,379
Upper leather	1,074	3,465	23,735	27,507	...
Silk manufactures	5,022	45,808	8,947	48,635	1,853
Brass valves, etc.	18,262	34,840	30,123	43,707	1,690
Nickel	1,340	53,084	18,214	6,563	...
Asbestos manufactures	14,434	9,766	28,653	18,143	7,710
Glass	...	3,456	6,290	16,615	10,915
Telephone appliances	27,332	12,204	11,371	13,555	...
Paints	2,297	6,018	24,227	9,169	23,559
Drugs	60	596	26,490	60,293	6,315
Films	...	54,797	2,807	...	...
Organs	10,829	10	...	...	...
All other	55,369	272,897	299,632	387,488	79,623
Total	4,116,923	6,107,215	7,172,104	4,164,516	3,676,780

* The figures in this table are from Canadian trade returns.

NEWSPRINT

Argentina will offer a post-war market for upwards of 120,000 tons of newsprint annually. There is no domestic production of newsprint. Canadian mills have held a large share of this

trade for many years. The competition will likely continue to come from the Scandinavian countries. Newsprint accounts for more than half of Canadian exports to Argentina and will probably continue to be a major item.

Argentine Imports of Newsprint

	1938	1939	1942	1943
	Figures in Short Tons			
Canada	39,765	35,965	43,877	45,856
Newfoundland	...	1,701	6,378	17,504
United States	...	113	1,414	1,127
Finland	49,315	59,846	...	217
Norway	22,041	21,106	...	...
Sweden	18,887	29,581	32,444	52,751
Germany	8,770	12,493	...	...
Other countries	468	...	...	...
Total	139,246	160,805	84,113	117,455

WOOD-PULP

The Argentine paper-making industry consumes more than 40,000 tons of imported wood-pulp annually. Some domestic wood-pulp comes from plantations of poplar in the delta of the River Plate at Buenos Aires and there is a large local production of cellulose made from wheat and flax straw; but there will be a continued demand for imported wood-pulp at around the current level of consumption. Sweden has been the main supplier of wood-pulp to Argentina. Canadian mills have never had an important share of this trade.

Argentina has a large rayon plant. The wood-pulp for its use has been supplied from the United States, although some shipments have come recently from Sweden. Canadian mills have not participated in the supply.

KRAFT PAPER

Argentina imports heavy-weight kraft paper for making lime, cement and other bags. Local mills produce the lighter weights of wrapping paper. Sweden has been the principal source of supply for the heavy kraft, although Canadian mills have participated in this trade, which will likely continue after the war.

Total imports of heavy kraft in 1938 were 8,954 short tons; 1939, 7,138; 1942, 22,793; 1943, 8,436 short tons. Of these quantities, Sweden supplied 5,574 tons in 1938, 5,293 tons in 1939, 20,685 tons in 1942 and 7,557 tons in 1943; Norway, 767 tons in 1938 and 306 in 1939; the United States, 425 in 1938, 349 in 1939, 1,562 in 1942 and 748 tons in 1943. Canada is recorded as a supplier only in 1942 with 311 tons.

OTHER PAPER

Local mills supply about 75 per cent of domestic consumption needs in all papers and paperboard except newsprint. The United Kingdom is an important supplier of quality papers for special purposes.

Imports of book paper, the leading import item in quantity, ranged between 24,000 and 26,000 short tons in 1938, 1939 and 1942, but fell to slightly under 15,000 tons in 1943. Imports of fine cardboard were 3,413 tons in 1938, 2,453 in 1939, 6,047 in 1942, and 2,630 tons in 1943, while those of prepared cardboard had a high of 184 and a low of 106 tons in these years. Third in quantity, Bristol board imports amounted to 2,080 tons, 2,164 tons, 2,885 tons and 1,065 tons respectively. Imports of toilet paper were 1,502 tons in 1938, but declined to 897 tons in 1939, 349 in 1942 and 183 tons in 1943. The figures for cigarette paper showed a steadier level at 892, 807, 1,169 and 662 tons respectively. Other items imported in lesser and varying quantity are blotting paper, tissue, photo papers, waterproof, telegraph rolls and filter paper.

FARM IMPLEMENTS

There has been very little movement in the farm implement business during recent years in Argentina. Local farmers received \$766,000,000 for the crops harvested in 1937. This figure had fallen to \$533 million in 1943. The tenant farmers, who grow most of the crops, have had no money therefore to buy new implements. In addition there have been no new implements available for purchase in recent years except from the remaining stocks. There are still old-model combines left that were imported several years ago, but generally the local farmers have had to repair and improvise in order to keep their equipment in working order.

Local industry makes most of the light cultivating implements, but the heavy machines, such as tractor ploughs, wheel seeders, tractors and most of the combines, come from Canada and the United States.

The Argentine Government has removed all the former restrictions on agricultural production and has increased the guaranteed minimum prices for grain. There should be a good

demand again for Canadian implements and machinery as soon as the demands arising out of the war permit shipments to this market again.

The competition in asbestos fibre comes from Rhodesia and South Africa, while Russia has sold some fibre in Argentina.

Argentine Imports of Farm Implements

	1938 No.	1939 No.	1942 No.	1943 No.
Ploughs, ordinary, unfinished	226	353	nil	nil
Ploughs, ordinary, finished	8,255	2,767	389	nil
Ploughs, wheeled	11,661	3,077	67	nil
Ploughs, not specified	115	118	1	....
Fanning-mills	375	135	1	....
Lawn mowers	1,663	1,590	2,208	2,954
Combines	3,212	2,342	nil	5
Corn-shellers, large	4	2	nil	....
Seeders, hand and plough	2,222	601	100	....
Seeders, wheeled	12,866	3,739	61	....
Rollers, vineyard	1,064	863	214	....
Mowers and binders	3,016	2,126	149	nil
Threshers	138	181	nil	nil
Harrows	7,899	3,507	10	nil
Horse-rakes	2,229	663	20	nil
Tractors, wheel	5,041	1,070	98	nil
Repairs and parts	6,173	2,979	558	720
Other repairs	1,800	691	90	53
Plough shares, finished	45,929	13,465	6,449	4
Plough shares, unfinished	232	115	6	3,986
Plough repairs	56,500	17,358	3,946	3,769
Corn-shellers	5,362	2,895	952	217
Hay-pressers	3,542	2,264	242	26
Harrow teeth	7,674	6,158	10	38

ASBESTOS FIBRE

This is a new and important market for asbestos fibre from Canada. The consumption is in excess of 6,000 tons annually and will likely increase after the war.

The first asbestos-cement manufacturing plant was opened in 1937. There are now three large plants making asbestos-cement corrugated roofing sheets, piping, water tanks and other products. The industry has had a splendid opportunity to introduce its products in recent years due to the temporary absence of competition from galvanized roofing sheets and the shortage in supplies of steel pipes.

Canada has a market for brake-lining in Argentina and there is some demand for asbestos packing and other special products.

SEED POTATOES

Argentina will offer an important post-war outlet for seed potatoes. This market was developed by growers and exporters in New Brunswick from 1935 until shipments were stopped due to the shipping situation since the beginning of the war. Canadian varieties are well known and post-war sales should average 200,000 bushels annually, with possibly a higher figure in certain years.

Argentine Imports of Asbestos Fibre

	1938 Figures in	1939 Short Tons	1942 Short Tons	1943 Short Tons
Sundry	46	141	3	....
Canada	36	1,256	3,274	2,763
United States	211	258	500	143
Rhodesia	469	742	1,258	1,904
South Africa .....	....	....	557	193
United Kingdom	449	543	962	695
Russia .....	....	200	....	192
Total	1,211	3,140	6,554	5,890

LUMBER

Argentina imported between 25 and 35 million board feet of Douglas fir lumber annually from the Pacific Coast before the war. There is a limited demand for the other softwoods from North America. Brazilian or Paraná pine has a strong hold on this market.

CALCIUM CARBIDE

There has been a very substantial increase in the consumption of calcium carbide in recent years due to the expansion in local industry. There has been much more repair work since equipment and machines cannot be replaced at this time. A small local plant

Argentine Imports of Softwood Lumber

	1938 Thousands of Feet	1939 Board Measure	1942	1943
Douglas fir—				
Canada	1,720	1,825	2,253	nil
United States	26,127	35,146	5,619	nil
Pacific hemlock	149	...	...	nil
Sitka spruce	176	72	1,967	nil
California white pine	1,682	2,698	1,206	nil
California redwood .....	...	38	90	nil
Canadian white pine	18	37	143	nil
Southern pitch pine	70,127	65,800	5,111	176
Miscellaneous .....	...	...	...	78
Brazilian pine	106,574	143,872	179,645	158,513
Swedish spruce .....	...	...	11,142	5,804
Other European	51,280	49,957	...	...
Total	257,853	299,545	207,176	164,571

REFRACTORY MATERIALS

The expansion of the steel and other metal industries has increased the demand for high-temperature refractory materials with a high silicon content and for chrome refractories. The expanded glass and ceramic industries as well as the Portland cement factories require more refractory bricks. The glass industry has increased its consumption of soda ash from 30,000 tons to 40,000 tons annually.

The consumption of refractories is in excess of 60,000 tons annually. Local materials take care of a large part of this demand, but some 15 per cent of the requirements, comprising the special grades, have to be imported. Canadian refractories are well introduced and should enjoy a good post-war demand.

produces calcium carbide, but this country will probably need to import 10,000 to 12,000 tons annually after the war.

FERRO-ALLOYS

The expansion of the local steel industry has created an increased demand for ferro-manganese, ferro-silicon and other ferro-alloys in Argentina. Canadian ferro-alloys are well introduced.

Argentina has steel furnace capacity in operation or under construction to produce nearly 350,000 tons of the normal 600,000 tons of iron and steel annually consumed in the country. Round iron bars are the important item in current production, as well as beams, shapes and castings.

Tool steels, galvanized and black seamless pipes and tubes, including strip as well for the local tubing manu-

Argentine Imports of Calcium Carbide

	1938 Figures in Short Tons	1939	1942	1943
Europe	7,423	8,082	622	...
South Africa .....	...	...	237	...
United States .....	...	...	8,373	101
Canada .....	...	...	2,354	1,888
Brazil .....	...	127	227	...
Japan	1,120	...	...	...
Chile .....	...	...	250	805
Mexico .....	...	...	140	140
Total	8,543	8,209	12,203	2,934

factures, will continue to be imported, also shapes and beams in the larger dimensions. The policy as regards bars and rough steel and iron will not likely be known until after the war. Nevertheless there will be a continued demand for the alloys and these products are of particular interest. Brazil was the principal source of supply in 1944 since supplies were not obtainable in North America.

Imports of Ferro-Alloys

	1940	1942	1943
	Short Tons		
Ferro-silicon, total	526	1,447	1,435
Canada	59	963	....
United States	400	75	....
Sweden .....	....	....	177
Norway	67	....	....
Brazil .....	....	409	1,258
Ferro-manganese, total....	....	1,282	1,925
Brazil	n.a.	632	1,925
Canada	n.a.	489	....
United States	n.a.	161	....

COPPER AND BRASS

Argentina imported 7,500 tons of copper and brass manufactures and 4,800 tons of electrolytic copper in ingots in 1938. In 1942 the imports of copper and brass manufactures were down to 2,600 tons and the figure for ingots had risen to 11,000 tons. The local manufacture of copper wire, including heavy cables for electrical power transmission and fine enamelled wire for winding motors, tubes and other copper and brass manufactures have been expanded to take care of most of the essential needs of this country.

This was an important pre-war market for electric power cables, enamel wire and bare copper wire, particularly for the United Kingdom. Local industry is not likely to hold the high-tension cable and fine wire business after the war but will probably continue to supply the market in the ordinary lines in copper and brass. The quality and special brass valves will be imported again, although locally made valves will meet the needs in ordinary qualities and types.

BRONZE POWDER

Germany dominated the market in bronze powder before the war. Cana-

dian bronze and aluminium powders are now well known in Argentina and should enjoy a good share of the trade after the war. Imports totalled 494 hundredweight in 1938 and 910 in 1939, mainly from Germany in each year. In 1942 they were 594 hundredweight; 192 from Canada and 398 from the United States. In 1943 they were 330 hundred-weight, all from Canada.

LOOM NEEDLES

Germany also dominated the market in needles before the war. The great expansion that has taken place in the local textile-manufacturing industry in recent years has increased the consumption requirements of this country. Canadian needles are now well introduced and should hold a large share of the post-war trade. There is still Swiss competition.

Imports of Loom Needles

	1938	1939	1942	1943
	Lb.	Lb.	Lb.	Lb.
Germany	6,741	5,153	4	....
Canada	1,061	1,916	5,945	8,286
United States ..	774	1,076	1,105	699
United Kingdom ..	388	227	476	620
Switzerland ...	908	1,080	1,921	2,236
Others	106	290	8	9
Total	9,978	9,742	9,459	11,850

SHOVELS

Argentina has always imported its requirements in the best quality shovels of the Fox type. Canadian shovels have been well known in this market for many years and will have a place again. The chief competition is from the United Kingdom.

Imports of Fox-type Shovels

	1938	1939	1942	1943
	Hundredweights			
Germany	164	182	....	....
Canada	3,087	1,952	751	....
United States	294	289	240	172
United Kingdom ..	7,206	5,541	625	....
Spain .....	....	....	....	5
Others	25	i	i	....
Total	10,776	7,965	1,617	177

LAMPS, LANTERNS AND ACCESSORIES

Canada has had an important outlet in this country for the various

products of this Canadian industry over many years. Canadian exporters have an excellent selling organization and the trade should show further expansion. There is a local manufacturing industry, but special products, quality and efficient selling methods will permit competition. There is a wide range of products.

Argentine Imports of Electric Wattmeters

	1938 No.	1939 No.	1942 No.	1943 No.
Germany	10,692	28,589	552	nil
Austria	4,087	...	...	nil
Belgium	1,230	1,750	2,460	nil
Canada	1,500	1,500	...	nil
Denmark	1,200	3,056	...	nil
United States	1,560	1,179	622	57
France	21	1,553	...	...
Italy	543	53	...	...
United Kingdom	587	10,968	130	8
Sweden	2,907	1,529	6,998	10,304
Switzerland	7,593	16,092	37,138	73,284
Other	164	94	2	...
Total	32,084	66,363	47,902	83,653

WALLPAPER

Argentina does not afford a large outlet for wallpapers in relation to the population. The new and modern building construction in apartment houses and private homes of the past ten years has completely changed the fashion in interior decoration from the former heavy French tapestry designs. The Spanish and Italian taste in dark wallpapers brought from Europe has changed to lighter patterns and painted walls in the new dwellings.

Germany supplied 75 per cent of pre-war wallpaper imports, with the larger share in the cheaper qualities. England had 60 per cent of the trade in 1942 and the remainder came from Canada and the United States. Canadian wallpapers have been well known for many years in Argentina.

Imports amounted to 21,018 hundredweight in 1938, 13,573 in 1939, 4,047 in 1942 and 682 in 1943.

LINOLEUM

The Argentine trade in linoleum and congoletum has always been dominated by the United Kingdom. Less than 25 per cent came from other countries,

which included the United States, Holland, Germany and Canada. Linoleum is not widely used in this country for floor covering, but there is a steady demand as it is not made in Argentina.

ELECTRIC WATTMETERS

These meters came from various countries before the war, but the trade

was mainly in the hands of the Germans and the Swiss. Canada increased its share in 1940, but wartime needs precluded further shipments. Switzerland and Sweden were the suppliers in 1944.

FURS

The wartime feature of the fur trade has been the transfer of local purchases from London to New York since 1940. Norway had a small direct business in ranch-bred silver fox skins before the war but the market was dominated by London. There has been a good demand for raw pelts direct from Canada as well as via New York during the past three years. Canadian furs had reached this market before the war via London.

There is a strong demand for furs in Argentina. There is plenty of money and the wealthier people are prepared to invest in furs despite higher prices. Neck-pieces and light-weight short coats are in demand rather than the heavier fur coats required in Canada. The furs are all imported raw and prepared and made-up by the local fur industry.

Imports of furs totalled 715 hundred-weight in 1938, 636 in 1939, 979 in 1942 and 1,244 hundredweight in 1943. Supplies from the United Kingdom declined over this period from 603 hundredweight in 1938 to 377 in 1939, 141 in 1942 and 86 in 1943, while those from the United States jumped from four hundredweight in 1938 and two in 1939 to 672 in 1942 and 724 in 1943. Canada supplied 25 and 55 hundred-weight respectively in the two latter years as compared with one in 1938, and South Africa 138 hundredweight in 1943 as against one in each of 1938 and 1939 and none in 1942. Imports from Norway amounted to 52 and 50 hundredweight respectively in 1938 and 1939, and then ceased, of course.

SUMMARY

Argentine industry now takes care of most of the demand in the lines of finished manufactured goods which

go directly into civilian consumption. Argentina will continue to import many of the products of heavy industry, such as automobiles, truck chassis, tractors and tractor-drawn farm implements, railway equipment, heavy motors and specialized and heavy industrial machinery, and will make heavy expenditures abroad for these lines after the war.

There will also be a demand from Argentina for mass-produced goods and special products, e.g. certain lines from the steel industry, newsprint and heavy chemicals. Argentina must continue to import certain raw and prime materials for local industry, such as asbestos fibre, high-temperature refractories, wood-pulp and ferro-alloys, as well as special types of machines, equipment and steel alloys. There will be a market for nickel, aluminium, copper ingot and other non-ferrous metals from Canada.

4. CANADIAN PURCHASES FROM ARGENTINA

Farm products comprise more than 80 per cent of all exports from Argentina. Consequently Canadian purchases from this country are limited in their range.

Canadian tanners have always used some salt cattle hides from Argentina and hides are normally the largest single item in imports from Argentina. The domestic production of edible vegetable oils, particularly sunflower-seed oil, has been greatly expanded during the past ten years. Since the war began large quantities of oils, both edible and inedible, have been purchased from Canada.

The increased Canadian production of flaxseed during recent years has led to a reduction in imports from Argentina. Canada has purchased large quantities of corn from Argentina in certain past years, and is a regular consumer of tinned corned beef. Argentina is the source of supply for the

quebracho extract used by Canadian leather tanners. Canada is not a regular consumer of raw wool from Argentina, although wool is an important Argentine export. Casein, Roquefort cheese, corn for broom making, millet for pet birds, tartaric acid, rags and waste, besides certain by-products of the local packing-house industry, are the other main items of interest to Canada.

Canadian purchases of corn, flaxseed and wool from Argentina are likely to fluctuate widely from year to year, depending on production conditions for flax and corn in Argentina and for flax in Canada. Purchases of cattle hides, corned beef and quebracho extract are subject to lesser variations and will probably continue near the pre-war levels. Argentina is likely to have large surpluses of vegetable oils each year after the war.

*Canadian Imports from Argentina**

	1938	1939	1941	1942
	Figures in Canadian Dollars			
Cattle hides	1,558,316	777,058	1,363,642	2,206,666
Flaxseed	1,778,041	765,913	123,769	...
Corn	1,070,591	70,172	325,518	...
Corned beef	480,699	311,252	504,120	283,140
Quebracho extract	210,012	177,533	775,939	827,175
Sub-total†	5,097,659	2,101,928	3,092,988	3,316,981
Raw wool .....	...	...	9,752	1,808,625
Vegetable oils .....	...	...	1,050,860	2,990,663
Soap grease .....	...	...	22,887	744,497
Casein .....	...	...	21,399	184,278
Cheese .....	...	...	73,156	117,291
Furs .....	...	...	17,936	79,951
Broom corn .....	...	...	18,326	13,906
Lard compounds .....	...	...	7,258	39,875
Seeds, n.o.p. .....	...	...	20,763	28,294
Cotton fibre .....	...	...	24,873	12,275
Rags and waste .....	...	...	77,811	26,094
Tartaric acid .....	...	...	135,993	153,077
Meat extract .....	...	...	49,798	82,264
Other meats .....	...	...	5,073	459
Grapes	8,335	12,046	18,452	21,372
Fresh vegetables .....	...	...	17,948	1,222
Cottonseed cake .....	...	...	4,974	...
Essential oils .....	...	...	...	9,110
Hair .....	...	...	4,477	995
Neat's-foot oil .....	...	...	10,071	6,912
All others	99,123	26,279	78,957	100,338
Total	5,205,117	2,140,253	4,763,752	9,738,479

* Figures from Canadian trade returns.

† Imports of these five items represented the following proportions of the total value of imports: 1938, 97.9 per cent; 1939, 98.2; 1941, 64.9; 1942, 34 per cent.

TRADE REGULATIONS AND TARIFF CHANGES**Australia****IMPORT LICENSING REGULATIONS.
AMENDED**

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes under date April 7 that, with effect from April 1, 1945, the Australian Customs (Import Licensing) Regulations have been further relaxed.

Linoleums and floor coverings having a similar surface to linoleums are now permitted entry from both sterling and non-sterling countries up to 50 per cent of the value of imports during the base year, ended June 30, 1939. Other floor coverings are still prohibited importation from non-sterling sources but may be imported up to 25 per cent of base-year imports when of sterling origin.

Importation of flooring and wall tiles is now permitted from sterling countries up to 100 per cent of base-year imports.

Union of South Africa**IMPORTATION OF VEGETABLE SEEDS.
RESTRICTED**

A Union of South Africa notice gazetted on March 16, 1945, prohibits the importation of vegetable seeds into the Union except under a permit issued by the Chief, Division of Horticulture, Department of Agriculture and Forestry, Pretoria.

United Kingdom**TARIFF PROPOSALS IN BUDGET**

Mr. J. A. Langley, Canadian Trade Commissioner in London, cables that the Chancellor of the Exchequer, in introducing the United Kingdom Budget on April 24, stated that it is proposed to restore to their former levels, by Treasury Order about the date of victory over Germany, duties under the Safeguarding of Industries Act 1921 and the Import Duties Act 1932, except

as regards a limited range of finished military supplies which will continue to be exempted from duty for a further period.

The duties in question had been removed, as a war measure, from scheduled classes of goods, including machinery, tools, motor vehicles, certain electrical goods, arms and ammunition, various other metals in manufactured or semi-manufactured forms, optical goods and scientific instruments. With only a few exceptions, notably motor vehicles, goods of these classes are free of import duty when entitled to entry under Imperial preference, the effect of the suspension having been to remove duties from non-Empire products and to obviate the necessity for establishing claims to Imperial preference. In the case of motor vehicles, duties were removed from both Empire and non-Empire products.

The Budget also proposes that imported hydro-carbon oils used as raw material for chemical synthesis be relieved from customs duty (present rates, 9d. per gallon on light oils and

1d. per gallon on heavy oils other than road fuel), an allowance to be paid in respect of indigenous hydro-carbon oils used in like circumstances equal to the net amount of customs duty on similar imported oil.

The Budget further proposes to repeal the allowance at present payable in respect of alcohol for industrial uses and certain other classes of spirits from January 1, 1946, this repeal being co-related to a proposed amendment to the present excise law.

Further information regarding these changes will appear in a later issue.

Venezuela

MODUS VIVENDI WITH CANADA RENEWED

The *modus vivendi* between Canada and Venezuela, signed at Caracas on March 26, 1941, effective for one year from April 9, 1941, and since renewed for periods of one year, has been extended for a further period of one year from April 9, 1945. The agreement provides for exchange of most-favoured-nation treatment in tariff matters between the two countries.

MAIL SERVICE TO BELGIUM AND GREECE

The Post Office Department has issued the following notices respecting extension of mail services to Belgium and Greece.

Belgium

The mail service to Belgium has been extended to permit the mailing of packets, containing printed matter, including newspapers and periodicals, up to a maximum weight of one pound.

As regards printed matter, the service is restricted to newspapers and periodicals mailed direct by the publisher to another publisher, agent or subscriber in Belgium, and other classes of printed matter mailed direct by the publisher or commercial firm. The mailing by the public to Belgium of printed matter, including newspapers or periodicals, is prohibited.

The restriction on business communications to those ascertaining facts and exchanging information has been withdrawn.

Greece

The postal service to Greece, including Crete, has been extended to permit the mailing of packets containing printed matter, including newspapers and periodicals, up to a maximum weight limit of four pounds. The service for printed matter is subject to the same restriction as stated above for Belgium.

The weight limit of 4 pounds will also apply to the transmission of written communications and related papers of a bulky nature prepaid at the letter rate to Greece of 5 cents for the first ounce and 3 cents for each subsequent ounce or fraction thereof.

The restriction on business communications to those ascertaining facts and exchanging information is still in force. There is no air mail, parcel post or money order service to Greece.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 30, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, April 30, 1945, and for the week ending Monday, April 23, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 23	Nominal Quotations in Montreal Week ending April 30	Official Bank Rate
Great Britain	Pound	4.866			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2753	.2753	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0575	.0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6325	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.6024	.6024	—
South Africa	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

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Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

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PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

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Statistical bulletins respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1945. (Price 25 cents.)

Canada Year Book. (Price \$2.) (Out of print.)

Trade of Canada, External: Annual Report, Calendar Year: Part I, Summary and Analyses; Part II, Exports; Part III, Imports.. (Price \$2 each part.)

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News Bulletin, Daily (Price \$1.50 per annum). **Weekly** (Price \$1 per annum).

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

	Page		Page
United Kingdom Budget.....	397	Economic, Trade and Production Notes	411
Wartime Export Programming in Canada	400	Canada's External Trade in March...	414
Economic Conditions in Nyasaland ..	404	Foreign Exchange Quotations	417
Irish Exchequer Returns	407	Condensed List of Publications	418
Argentina as a Market		Commercial Intelligence Service	419
5. Selling Organization and Representation	408		
6. Argentine Trade Policy	410		

UNITED KINGDOM BUDGET

By J. A. Langley, Canadian Trade Commissioner at London

The Budget introduced to the United Kingdom Parliament on April 24 may be of an interim character and be superseded by another. The Chancellor of the Exchequer explained that, having regard to the rapidly changing conditions, no firm basis is available for many of the calculations upon which financial policy is formulated.

Total expenditure in the year just closed was £6,063,000,000 or £126,000,000 more than the estimate. Revenue exceeded expectations by £135,000,000. The significant feature of the financial year was that the proportion of total expenditure met out

of revenue was 53 per cent—a higher figure than in any previous war year.

During the $5\frac{1}{2}$ years of war up to March 31, 1945, total expenditure was £27,400,000,000. Of this, £13,300,000,000, or not less than 49 per cent, was defrayed from current receipts. To provide for the balance for debt repayments during the period and for other capital purposes, the United Kingdom borrowed in all £14,300,000,000. The total was raised as follows: through small savings, 22 per cent; by the sale of other war loans to the public, 33 per cent; by floating debt in the hands of the market, 31 per cent; from various extra budgetary funds, 6 per cent;

and from various other sources, 8 per cent.

It is estimated that the amount provided during the war by way of taxation and savings towards financing national expenditure, and thus no longer available for expenditure on personal consumption, has been no less than 42 per cent of the whole of the personal income of the community during the period.

Import Duties

While no major changes in taxation are proposed, the Chancellor made an announcement about future tariff policy of direct interest to Canada. It concerns the duties under the Safeguarding of Industries Act and the Import Duties Act.

During the war, as a matter of convenience, an extensive range of goods predominantly imported for government purposes has been exempted from duty. It is proposed to restore these duties to their former level by Treasury order about the time of victory over Germany. Exemption from duty will be continued for a further period in respect of a limited range of finished military supplies. It should be explained that these duties applied only to foreign goods. Empire products were admitted free upon the presentation of satisfactory evidence of origin.

The Finance Bill will also include a provision freeing imported hydro-carbon oils used as raw materials for chemical synthesis from customs duty. At the same time an allowance will be paid in respect of indigenous hydro-carbon oils in the like circumstances, equal to the net amount of the customs duty on similar imported oils. It is believed that the synthetic chemical processes based on the use of hydro-carbon oils are going to be of rapidly growing industrial importance, and will affect manufacturing methods of many industries which lie outside the field of synthetic chemistry. These reliefs are intended to assist United Kingdom industries in exploiting these new developments.

The Budget further includes a proposal covering the repeal of certain allowances which have been payable for many years in respect of alcohol for industrial use and certain other classes of spirits. This repeal is a corollary to another proposal embodied in the Finance Bill, involving the modernization of the Excise Law.

Double Taxation

The Chancellor attached great importance to steps which have been taken to solve the problem of double taxation, having regard to the benefits which will accrue due to the development of United Kingdom export trade. Under existing income tax law, the system of relief from double taxation is provided within the Empire and for technical reasons the system does not provide full relief against duplicating charges, even within the Empire.

In the case of foreign countries, there is no general arrangement for relief of income from double taxation, though there are special provisions of a limited character concerned with shipping, aviation and agency businesses. Apart from these small exceptions, United Kingdom trading concerns earning a profit in foreign countries and paying tax in foreign countries on the profits so earned can at present obtain no relief from double taxation.

In this connection, a double-taxation treaty has been concluded between the United Kingdom and the United States of America under which profits on shipping and air transport will come in future under charge only to the tax of the country to which the company concerned belongs. As regards trading profits generally, the treaty adopts the system of crediting the foreign tax against the home tax. The United Kingdom in future will allow the United States tax, paid on profits made in the United States, to be credited against the United Kingdom tax, payable by the concerns on the same profits. These arrangements re-

garding trading profits are considered to be most important for the purpose of freeing commerce between the two countries. The treaty contains important provisions in regard to dividends, interest, royalties, rents and income from employment, with a view to avoiding double taxation.

The legislation on this subject, to be included in the Finance Bill, will be wide enough not only to give statutory effect to the United States treaty, but also to enable similar agreements to be concluded with other countries. Discussions with the dominions are stated to have been opened.

Overseas Expenditure

Reviewing the overseas financial position, which is the main immediate cause of anxiety to the United Kingdom authorities, the Chancellor explained that the growing overseas indebtedness is due largely to military expenditures in the Middle East and India. The physical resources of the Empire have been pooled throughout the war, but on the financial side the arrangements within the sterling area have necessarily taken a somewhat different form from the mutual aid arrangements in force with Canada and the United States of America.

The Chancellor stated that the relations between the sterling area and the dollar countries raises a fresh set of problems. The mutual aid accorded by the United Kingdom to the United States and to European countries, now on a vast scale, is more than matched by the liberality of United States lend-lease and Canadian mutual aid. Last year the United Kingdom incurred United States dollar expenditure (cash expenditure) of approximately \$1,000,000,000 on items not covered by lend-lease. These expenditures were met out of various sources of dollar income, including the substantial personal expenditure of the United States forces in the United Kingdom.

For the first three years after the war the Chancellor foresees a very

heavy deficit on current account in the balance of payments. In other words, for the imports which will be absolutely essential to feed the people of the United Kingdom and to provide raw materials for industry, further indebtedness will have to be incurred. How large that indebtedness will be and how long it will last will depend upon two factors.

The first is the rate of expansion of export trade, and the implication is that the United Kingdom will "have to accept the discipline which this urgency involves". The second factor discussed by the Chancellor is the extent to which the United Kingdom will be willing to enforce a strict economy in external cash expenditure. In this connection, he stated that unnecessary commitments which might be beyond the country's capacity must be avoided, and external expenditure which does not produce a fairly quick return must be restricted. All overseas expenditure "will have to be severely limited and to be looked upon in nearly all cases as a luxury to be increased only as the United Kingdom increases its net external income".

Cost-of-Living Subsidies

Last year the United Kingdom Government decided to aim at preventing the cost-of-living index, which is supported by a system of subsidies, from rising above 135 per cent of the pre-war figure. In fact, during the past fiscal year almost complete stability has been attained and the index, which stood at 129 a year ago, is still only a fraction above 130, although the indications are that it will not be possible to hold that figure much longer. The authorities are, however, hopeful that the index will be kept within the limit of 135 during the coming year. This may be regarded as a low level, especially when compared with the general condition of wage rates, which now stand at 146 per cent as compared with pre-war, and average earnings, which stand at 182 per cent. Moreover,

the figure of prices for essentials is much below the ruling price level in the outside world.

The treasury estimate that the United Kingdom is paying for imports at a price level of 185 per cent. They suggest that the national product and income as a whole should be thought of, in terms of the value of money, as being of the order of 150 per cent as compared with pre-war, rather than the level of 130 per cent at which the cost-of-living index still stands. A stable price level will be compatible with a slow and steady increase of wages if that increase corresponds with an increase of efficient output.

Danger of Inflation

The Chancellor concluded with a warning that after the end of the war in Europe a period will begin which, from the anti-inflationary point of view, will be more difficult than any

yet experienced. In the absence of a further curtailment of purchasing power by the increase of taxation, a course which it is not proposed to adopt, the United Kingdom will, in fact, be able to support its continuing high rate of expenditure as soundly as has been done during the war only if, for the time being, the greatest restraint is maintained in personal expenditure. The authorities rely upon the savings movement to bring home to the public the necessity of such restraint in the immediate and more distant interests of the country. At the same time, it is admitted that the present level of taxation is oppressive to the spirit of enterprise, and that it is of first importance that, when the compelling incentive of working for victory is no longer present, there should be an early alleviation of the existing heavy obstacles to the normal incentive to work.

WARTIME EXPORT PROGRAMMING IN CANADA

Wartime planning of exports covers not only the establishment of export quotas for materials in scarce supply, but a number of related policies which attempt to direct Canadian exports to particular destinations and areas. The planning that now exists has developed step by step as war shortages have become more serious and extended to more and more commodities.

One of the main objectives has been to co-ordinate the distribution of Canadian supplies of critical materials with that of other supplying countries, attempting to achieve the least possible disruption to established trade and trade channels. This co-ordinated planning extends to many items which, while not critical in the war effort, are related to the most essential needs of the civilian economy. Other items of less essentiality, but still important to our trade, are programmed without direct relation to programs of other countries, although in harmony with their policies.

The aim is to secure an equitable distribution of such scarce goods as are still available between the domestic market and the various export markets. The attempt has always been made to ensure at least token shipments to established markets for Canadian products in order to maintain trade contacts, wherever this is possible without injury to the war effort.

The extent and the detail of Canadian planning has been increased by the obligation on Canada's part to share a portion of the burden of supplying liberated areas in Europe and Africa as well as to contribute to supplies being purchased for relief by UNRRA. Many other countries also have had their normal sources of supply cut off by war developments and must have supplies directed to them, so that in total these abnormal demands on United Nations resources merely for essential purposes become onerous. While in most cases such countries will again turn to their past sources

possibly after a short post-war interval, the possibility of continuing trade in many items is not overlooked, although it is kept as a secondary consideration.

Aside from the countries which are faced with the problem of replacing lost sources of supply, many of our large normal markets find it necessary to prepare programs of import requirements to ensure that adequate supplies will be forthcoming and to be in a position to distribute fairly such supplies as do arrive among their various importers. In order not only to assist these countries, but also to ensure that established sources of supply in Canada are not overlooked, it is incumbent upon Canada to give official advice of the materials such countries may expect from Canada.

The danger to such established trade is intensified wherever the importing country finds it necessary to make bulk purchases of any or all commodities through the medium of an official purchasing agency or mission. With the best will in the world on the part of such missions it is all too possible for them, as a result of simple expediency, to secure elsewhere supplies that have in the past been obtained in Canada and are still available here.

The responsibility for planning exports along these lines for most commodities falls in the first instance on the Export Planning Division of the Department of Trade and Commerce. This Division works very closely with the Supply Division of the Wartime Prices and Trade Board and with the various administrators and controllers in establishing schedules of export quotas and export policy generally. The formal programs may be either country by country quotas on the export of a specified commodity (usually referred to as a commodity program) or they may be a statement of a fairly complete list of goods estimated to be available for any given country. These programs are reviewed and passed upon by an Inter-departmental Committee on which are representatives of all the departments that may be interested.

Consequently, if any factor of a political or financial nature is involved, it receives full consideration in dealing with the program.

In addition to the formal programs, certain spot requests for specific materials may be presented to the Committee if they are large enough to impinge on relatively scarce supplies. Requests from UNRRA form the large part of such requirements. Indeed, the Committee may concern itself with virtually any problem related to export trade.

Commodity Programs

Such raw materials as are under export quota are usually allocated by international combined planning bodies. Canada is represented when such decisions are made. However, in the case of raw materials it is more usual to have individual applications reviewed on their merits and to permit exports for uses that correspond to those that would be permitted in Canada.

It has always been the policy to keep the number of items under formal export quotas to a minimum. Most exporters of manufactured goods, particularly branded articles, of necessity must themselves program their exports. They are faced with a shortage of material, labour and plant capacity, and in their own interests attempt to make the most equitable distribution among domestic and foreign agents and representatives. Only if there are involved political considerations which would be unknown to the company may government interference in such plans become necessary, and even then the desired results can usually be accomplished by informal agreement with the manufacturers concerned.

VARIATIONS IN PROGRAMS

The commodity programs that it has been found necessary to establish are not all of one pattern but vary almost from commodity to commodity. At one extreme, each separate manufac-

turer or exporter may be given a schedule of quotas for each of his markets and the granting of permits to each exporter and to each country may be limited accordingly. At the other extreme, each individual exporter may be advised of a total quantity of his product that may be exported to any destination he chooses. Again there may be a schedule of quotas established for individual countries, with the share falling to any one exporter depending upon the order in which export permit applications are received. When any such quotas are established the authorities in the importing country are notified, usually through the Trade Commissioner Service of the Department of Trade and Commerce.

Commodity export programs may be based either directly or indirectly upon exports made during a base period, upon surveys of foreign markets' requirements, upon surveys of manufacturers' export capacity and their own wishes as to destination, or on a combination of these.

CLAIMANT AGENCY

In order to ensure the necessary raw material to implement a commodity program that is being established, the Department of Trade and Commerce acts as a claimant agency on the Department of Munitions and Supply, paralleling the Wartime Prices and Trade Board claims for domestic manufacture. The decision as to the portion to be used for export as against domestic production is made between the two claimant agencies and the authority having jurisdiction over the raw materials in question.

In addition, it is the responsibility of the Wartime Prices and Trade Board to assess the manufacturing capacity in the light of such other shortages as labour and fabricating facilities. The export program thus tentatively agreed upon is presented to the Inter-departmental Committee, as indicated above, for its review and approval.

ADMINISTRATION

The administration of commodity programs, once they have been established, generally speaking is in the hands of the Export Permit Branch of the Department of Trade and Commerce. The quota is usually for a calendar year. If any balance remains unused at the end of the year it is not carried forward; instead a new program is established. The charge against a given quota is made at the time the export permit is granted. Shipment may be made at any time during the life of this permit, even though it extends into a following quota year. Permits may be renewed even though the renewal takes place in the new year; in this case the renewal may or may not be charged to the new quota, depending on the particular commodity in question.

CONTROLS RELATED

Since one object of quotas is to enable the importing country to make an intelligent distribution of the supplies it receives, it will be understood that in general the import control of the country of destination is closely related to Canadian export control. The actual mechanics of this relationship vary somewhat from country to country. In general, for goods under such quota schedules an import licence or comparable document must be presented by the exporter before an export permit is issued. When applying for renewal of an export permit under such circumstances, it is advisable for the exporter to ensure that the original import licence is still valid or has been revalidated.

In the case of British West Indian colonies, the import licence shows the quota year against which the licence is to be charged. These licences may be issued in advance of the quota year and may also be revalidated for a following quota year. In such cases an export permit will be renewed in the new year only if the import licence has been revalidated.

Country Programs

Country export programs are usually based on a compilation of estimated requirements of all kinds from all sources prepared by the importing country. This compilation may request stated portions of goods from Canada or it may be a program of requirements from Canada only.

PURPOSES SERVED

As already mentioned, these programs arise from the necessity of ensuring adequate supplies. They may be the basis for seeking Mutual Aid, or they may be prepared by such countries as the French Colonies or liberated European areas where established economic connections have been broken and supplies must be found from new sources. Or again they may be merely an attempt of an importing country to keep its economy on an even keel in the face of material and shipping shortages.

In any case the Canadian program that is prepared is merely a statement of what is officially estimated to be available for export to that country. It is not a schedule of quotas, as in the case of commodity programs, except that the relevant items of established commodity programs are included in the list and are designated as quotas.

METHODS OF HANDLING

The statement of available Canadian supplies is announced to the government concerned, usually through the Trade Commissioner Service. If commercial trade is possible, this Service is in a position to foster its consummation much along the lines of peace-time procedure. If a particular commodity is being bulk-purchased, or if the importing country can only buy through official agencies, as is the case in liberated Europe, the Service assists the agency in locating suppliers and assists Canadian exporters in negotiating sales.

EXPORTS TO LATIN AMERICAN COUNTRIES

In connection with country programs a special word should be added con-

cerning the twenty Latin American Republics and the Decentralization Plan by which exports to these markets have been controlled. Originally this plan was a method of control that directly related the volume of export permits to the availability of shipping, at the same time giving the import authority the final choice of the types and quantities of goods it would receive.

The United States and Canada provided estimates of supply for all the various commodities that might be shipped, and a monthly estimate of the probable available shipping space was also given. The country concerned then issued import recommendations within these dual limits and such a recommendation was required before a Canadian export permit would be issued. Initially this plan covered virtually all exports to the area. Now, however, the shipping aspect has been practically removed and recommendations are required for only a limited list of items. For these items estimates of supply are still prepared, and import recommendations issued in accordance therewith are still necessary for the granting of an export permit.

REQUESTS OF SPECIAL URGENCY

Supplementing these various methods of export direction is the *ad hoc* assistance of the Department of Trade and Commerce in dealing with individual requests of special urgency and requirements that it has not been possible to program in advance. The support given to such requests by the Department and by the Inter-departmental Committee varies with their urgency, and in general all authorities cooperate in attempting to make available the quantity that the circumstances warrant.

Post-war Policy

Such in brief is an outline of the direction that is being given to Canadian exports at present. With the war in Europe ended, some reference may be made to the future of export planning.

It is difficult, however, to say authoritatively anything more precise than that export controls, quotas and programs will be discontinued as soon as there is any end to the need that called them into being. Of course it can be foreseen that many commodities required in large volume to rebuild and reorganize a devastated world may continue to require programming for some months, or even a year or two, after the end of the Pacific war. Indeed, such programming might involve not merely independent action on the part of Canada but co-ordinated planning of world supplies.

Nevertheless, commodity programs and quotas will end one by one as

supplies become easier. This easing of supplies and revival of world trade will likewise end the necessity of country programs in the not too distant future.

The ultimate goal is the removal of all interference with private commercial trade. It is nevertheless likely that in the troubled post-war world international trade will require active government assistance, but the planning and other attention involved will be completely opposite to the restrictions of to-day. It will be directed to enabling private business to attend to its own expansion to the benefit of all Canadians.

ECONOMIC CONDITIONS IN NYASALAND

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

General business in the northern part of Nyasaland during the last months of 1944 was quieter than in the preceding months but the level of commercial activity compared favourably with that of 1943. Business in all sections of the Protectorate has been maintained with little noticeable change in the general undertone. The following notes give information regarding agriculture, which is the most important activity in Nyasaland, and also provide some detail regarding railway finances which are such an important part of the well-being and general financial condition of the Protectorate.

Agriculture

Last season's rainfall was less than the average but, with some exceptions, was sufficient for staple food crops. A cold, sunless spell in February and March of 1944 caused anxiety and was detrimental to both tobacco and tea. An early cessation of the rains in the north, which had an adverse affect on the Kota Kota rice crop, was fortunately not experienced in the south where light rains continued into May and June before the drought of the last three years repeated itself.

FOOD CROPS

In the early part of 1944 a severe shortage of food became apparent in the Lilongwe area as a result of short harvests of corn in 1943. Prompt action was necessary to prevent the development of famine conditions before the 1944 crops were ready. The 1944 corn harvest was satisfactory as a whole. An increased harvest of beans and groundnuts was recorded as a result of the encouragement given by the Government to the planting of these foods. After local requirements had been met, a surplus of each was available for export.

TOBACCO

Despite unfavourable weather conditions in most of the tobacco-producing areas, the quality of leaf was generally above the average and prices were the highest on record in Nyasaland for all types. The quantity of tobacco produced on Native Trust land showed a reduction of 21 per cent from the previous year's record crop but, owing to the better prices, the total cash receipts by native growers were only 12 per cent less.

The flue-cured crop grown by white farmers, at two and one-third million

pounds weight, was one of the lowest in recent years. All good-quality leaf found a ready sale and the average price was the best that has been obtained since the inauguration of the auction system.

TUNG OIL

The market price of tung oil has remained at a remunerative level and exports were considerably greater than in any previous year. During 1944 the activities of the tung estates were directed mainly to the improvement of existing plantations. The practice of budding has been adopted more and more extensively and greatly improved yields per acre may be expected. Preparations are being made for extensive new plantings during the coming season.

TEA

The tea crop in 1944 again suffered as a result of unfavourable weather conditions and exports were approximately 12 per cent less than the previous year. The output was purchased by the British Ministry of Food, including a small quota taken by Southern Rhodesia. During the year the International Tea Committee granted a further allotment of 4,040 acres for the growing of tea in Nyasaland. The total tea area of Nysaland under the International Tea Agreement now stands at 24,240 acres.

RUBBER

Sustained efforts have been made in the production of plantation rubber on the Protectorate's one estate and the collection of wild rubber has continued. There was a temporary falling-off in the collection of vine rubber as the more readily accessible vines were tapped, but later reports show that they are recovering and the collections for October were back at the old level. The collection of root rubber has been maintained at the previous standard.

PYRETHRUM

The cultivation of pyrethrum on the Nyika Plateau is now beyond the ex-

perimental stage and satisfactory yields have been harvested from established gardens. Results from experimental plots at other high elevations in the Protectorate are reasonably encouraging but it is too early to draw any definite conclusion.

COTTON

The cotton harvest recently gathered has been a particularly good one. Including about 300 tons of winter-sown cotton, bought in January from the Karonga area, 4,600 tons of seed cotton were purchased from the growers for some £50,000. The absence of severe boll-worm damage in the Lower River districts was the principal factor in this satisfactory situation.

Minerals

A further investigation of the Mlanje bauxite deposits was made in 1944 and the exclusive prospecting licences granted to the Anglo-American Corporation for this area and for the Sumbu coalfield were renewed for another year and agreements were concluded regarding their development when conditions permit.

The special mining lease granted to the Gifter Corundum Company at Tambani was renewed for another year.

Government Finances

The revised estimate of revenue for 1944, excluding Colonial Development grants, stands at £796,895. The estimate for 1945 is £778,851 after providing for a decrease of £20,000 in income-tax receipts. With the addition of the Colonial Development grants and grants in aid of loan interest charges the gross revenue for 1945 is estimated at £1,046,229. The estimate of gross expenditure is £1,030,769 and the budget therefore provides for a surplus of £15,460 on the year's working. The balance between revenue and expenditure for 1944 is expected to amount to £117,745, thus bringing the estimated accumulated balance of the Protectorate to £682,713 at the end of 1944. The estimated surplus at December 31, 1945, is expected to be £698,173.

Railway Finance

The government guarantee of the interest on the 6 per cent debentures of the Trans-Zambesi Railway Co. Ltd. expires in 1945. The railway company has agreed to a proposal that the 6 per cent guaranteed debentures should be redeemed at par and that the sums required for their redemption and for the repayment of the $3\frac{1}{2}$ per cent guaranteed notes for £200,000, which are also redeemable in 1945, should be advanced to the company by the Nyasaland Government. In return for these advances new debentures carrying interest at $3\frac{1}{2}$ per cent, with a sinking fund contribution of $\frac{3}{4}$ per cent to be applied annually for redemption, will be issued to the Government. The debentures will have a life of fifty years and will be redeemable at par at the company's option after ten years from the date of issue. As in the case of the 6 per cent debentures, the new debentures will rank as a first charge on the assets and earnings of the company.

The value of the 6 per cent debentures outstanding at March 31, 1945, was approximately £760,000, of which about £584,000 are held by the public and £176,000 by the Nyasaland Government. It is proposed that the total issue of new debentures should be at £1,050,000. This covers both the redemption of the 6 per cent debentures and the repayment of the guaranteed notes and leaves £90,000 unissued. As approximately £176,000 worth of the redeemable debentures are held by the Nyasaland Government, in return for which new debentures will be issued, the actual new money required is £784,000 which will be provided by the United Kingdom Government, through the Nyasaland Government, to the company. The saving to the railway company in interest charges during the first year will be £19,000.

As a part of the new arrangement it has also been agreed that the contingent debt of the Trans-Zambesi Railway Co. Ltd. to the Government, in respect of advances made under

the guarantee since 1920, shall be secured. It is estimated that at January, 1945, these advances amounted to £1,600,000, while a further sum of £1,000,000 was due in respect of interest on advances over this period. In view of the large sum for the redemption of the 6 per cent debentures and the guaranteed notes, the railway company and the United Kingdom Government have agreed that the accumulated capital debt of the company shall be covered by the issue to the Nyasaland Government of 5 per cent income debentures to the value of £1,600,000 and the unpaid interest of £1,000,000 shall be written off.

These income debentures rank after the new $3\frac{1}{2}$ per cent debentures as a second charge on the assets of the railway company. Interest is to be payable on them in any one year only up to the amount which could be met from the net revenue of the company. There will be no sinking fund payment nor will the income debentures carry any accumulated interest until the whole of the new $3\frac{1}{2}$ per cent debentures issue has been repaid.

World Wood-pulp Output

World production of wood-pulp in the first year after conclusion of the war in Europe, including 600,000 tons now in storage in Sweden, is estimated by the United States Department of Commerce at 24,348,000 tons, while consumption needs are placed at 23,822,000 tons, indicating a surplus of 526,000 tons. The estimates of production are based on the assumption that wood-pulp output, particularly in the United States, Canada and the northern European countries in the first year will be at maximum capacity, consistent with conditions of manufacture, labour, raw material supply, and that shipping from northern European ports will be possible soon after the end of active warfare in Europe. Production in the northern European countries is estimated at 4,377,000 tons, to which may be added the Swedish supply of 600,000 tons in storage.

IRISH EXCHEQUER RETURNS

By E. L. McCOLL, *Canadian Trade Commissioner at Dublin*

Publication of Ireland's financial returns for the financial year 1944-45, which closed on March 31, shows record figures for both revenue and expenditure.

Total revenue amounted to £46,175,-495, an advance of £2,395,763 on the figure for the previous year but, despite this and the fact that the Minister's estimate was exceeded by £395,495, the sum realized was not sufficient to meet an expenditure of £48,520,783 (which is £3,511,771 higher than for the preceding year), and there is a resulting deficit of £2,345,288. The deficit for 1943-44 was £1,229,280.

Revenue

The fiscal year 1944-45 opened with a credit balance of £1,959,682, and at its close the amount is £1,164,306. Higher yields were shown from all sources except excess profits tax, land annuities, and sundry receipts. The increases in revenue are almost entirely in that portion raised by taxes. In former years customs duties were the largest single source, but restricted trade has reduced the amount obtained therefrom, and the sum realized was £95,000 less than last year. The main sources of revenue are now income tax and surtax. In 1938-39 income tax yielded £5,803,000, an amount which had been almost doubled in 1943-44 when the sum produced was £11,476,-000. This year's receipts have reached the figure of £12,517,000. Excise duties returned £8,885,000 (an advance of £875,000), and corporation profits tax produced £4,042,000 (£261,000 more than last year), while excess profits duty decreased by £28,000.

In non-tax revenue, money received from repayment of advances includes £80,696 advanced under the Electricity Supply Acts. This is an increase of £3,888 on last year's figure. Local Loans Fund has repaid £200,000, a decrease of £1,000,000. Money raised by

creation of debt includes £60,000 for expenditure under the Telephone Capital Acts (£5,000 higher than last year's allowance), and £1,562,000 for savings certificates, which is £324,000 above last year's yield. A total of £1,800,000 was raised by Ways and Means advances, which is £450,000 more than was obtained from this source last year.

Expenditure

Of the total expenditure of £48,500,-000, £43,516,982 was devoted to the supply services, an item which has risen by £3,512,259 since the previous year. Supplies (including food and fuel subsidies) rose from £3,229,489 to £4,732,-477, and a sum of £1,463,968 was expended on children's allowances, a charge which appears in the Irish Exchequer returns for the first time. The army, primary education, national health insurance, and many other items have all demanded an outlay greater than for last year.

In addition to the total expenditure, other issues from the Exchequer include £37,202 under the Tourist Traffic Act and £1,582 under the Trade Loans Guarantee Act, but no payment was made on account of the Unemployment Insurance Acts, which last year required £22,000.

Issues to meet capital expenditure include £60,000 under the Telephone Capital Acts. (This is £5,000 less than last year.) The sum of £429,000 went to pay off savings certificates (£19,000 below the figure for last year). Repayments of Ways and Means advances, at £1,375,000, were £50,000 less than for the previous year, and other borrowings, for which £500,000 was required last year, were repaid to the extent of £250,000.

Expenditure and other issues total £50,673,567 as compared with £47,475,-877 in 1943-44, and it is probable that the budget for the coming year will provide for even greater outlays.

ARGENTINA AS A MARKET

By J. A. STRONG, *Commercial Attaché, Canadian Legation at Buenos Aires*

5. SELLING ORGANIZATION AND REPRESENTATION

Canadian firms, particularly in heavy industry and engineering lines, must face the problem of building up adequate distribution organizations for post-war export trade to Argentina. It is not a particularly difficult problem with products which go regularly into consumption and that do not require service or advertising, for there is always a firm or an agent ready to sell a competitive product of this class. It is a problem, however, where salesmanship and service are involved or where inherent quality must be established in the mind of the consumer. Argentina is normally one of the most competitive markets in the world. There is scarcely an internationally known firm in the United States, the United Kingdom and Continental Europe that does not have a branch, a manufacturing or an assembly organization in Buenos Aires.

UNITED KINGDOM FIRMS AND AGENTS

United Kingdom manufacturers have an apparent advantage of having a large number of resident British merchant firms and agents in Buenos Aires as well as local manufacturing, transportation and public utility firms controlled by British financial interests established in Argentina. These are available to distribute and give preference to products from the United Kingdom.

Locally established British interests are going to give increasing preference to home products from the United Kingdom after the war. Most of these local British firms were established long before 1914. The expansion of Argentine manufacturing industries and the inability to secure imported goods in sufficient quantities since 1940 has resulted in many of these British firms becoming interested in the distribution and in some cases the manufacture of many domestic lines.

This new vested interest in local industry and in the distribution of locally manufactured articles is tending consequently to change the character of the distribution system for imported goods. These firms are no longer interested exclusively in importing and distributing goods from abroad or selling exclusively goods from the United Kingdom.

United States manufacturers began to find even during the last war that they must establish their own selling organizations in Argentina if they were to secure a permanent place in this market. Further, many American firms were in an easy financial position at that time and so were prepared to make the investment necessary for the training of personnel for permanent service abroad as the basis of a long-term policy. In addition, this trained personnel were available for transfer to branches in other countries.

The British and Continental European merchant firms and agents had had a monopoly of the distribution of imported goods. These firms and agents were accustomed to British and European methods of merchandizing and had their own long-established connections with manufacturers in England and Europe and had preferences based on their nationality, acquired knowledge and training.

AMERICAN BRANCHES

The result was that nearly all the important American firms eventually established their own branches in Buenos Aires. In most cases a man from the home factory was attached first to the local firm holding the agency. He acquired experience of conditions relating to the local market and, if and when prospects later seemed to justify it, a branch was opened in Buenos Aires. In many cases the establishment of the selling branch

led to local packaging or partial assembly in order to save customs duties or shipping costs. In turn this led frequently to partial local manufacture for a similar purpose or in order to qualify for a lower duty rate. In the end many of these firms were manufacturing their products almost exclusively in Argentina, buying only parts or raw materials from the States.

Through this method the home firm was kept in constant and intimate contact with developments in this country. Experience was acquired gradually and the firm was ready at any time to take advantage of new opportunities or modify its set-up as required by current conditions in the local market.

On the other hand, the British and European manufacturers tended by reason of their established organization to depend more on second-hand information from their local distributors and agents or on information acquired during periodic visits to Buenos Aires. The home factories did not have an opportunity to acquire the intimate first-hand knowledge and experience of this market over a long period which would permit them to modify their selling methods or induce them to invest capital of their own in selling organizations or in a local plant. There were notable exceptions and exchange restrictions and bi-lateral trade agreements tended to keep trade in previously existing channels, but this official intervention is not directly related to this study of selling organizations in Argentina.

BUILDING SALES ORGANIZATION

As a consequence of these trends it is increasingly difficult to find a local firm or agent ready to offer and capable of offering adequate distribution facilities for introducing a manufactured product into this market. Manufacturers must take the initiative themselves towards either building up their own selling organization or arriv-

ing at a basis for close co-operation with a local party or firm. At the same time, it is evident that the individual manufacturer must first occupy a strong position in his own home market, have funds available which he is prepared to risk in such a new venture abroad, and possess confidence in his own product and in his ability to meet competition in his line from whatever source.

The new secondary industries in Argentina find themselves geographically off the circuit of the highly developed manufacturing firms and others with their research and technical services that exist to cater to similar industries in the great industrial countries in the North. A Canadian manufacturer can secure parts or expert advice almost overnight from the best brains in his special line; he has access to the best technical literature in his own language or may refer problems to research laboratories nearby; and, in general, he operates in an industrial atmosphere created around his particular industry.

Its geographical situation, far from the atmosphere that tends to stimulate creative ideas in industry and with the additional barrier of language, tends to make Argentine industry more static than dynamic. The Argentine branch plants have access to the experience of their parent firms abroad and some of the more strictly Argentine manufacturing firms abroad in their line for the purpose of gaining access to experience and research facilities. In addition, the distribution organization that handles imported commodities was created originally to sell finished commodities. Few importing firms or agents possess the technical knowledge or experience to give adequate service to the new local secondary industries. This means that the local manufacturer must either look to an organization abroad or the interested foreign manufacturer must bring it to Argentina.

6. ARGENTINE TRADE POLICY

There are two basic elements in the local economy which must affect the trade policy of this country in the post-war years. Argentina is one of the large surplus food-producing countries and farm products comprise more than 80 per cent of the entire export trade. Consequently Argentina must find markets for farm products abroad and the principal individual consumer is the United Kingdom. Argentina must be influenced therefore by the trade policies and attitude of the United Kingdom.

Secondly, there has been an enormous expansion in domestic manufacturing industries and there is every evidence of intention in official quarters to preserve a large part of these new secondary industries in order to maintain a "more balanced economy". Argentina has come through more than five years of wartime conditions marked by a virtual elimination of imported civilian consumer goods from the market, yet the population has suffered practically no shortages in goods for ordinary consumption. This notable fact has made a deep impression upon public opinion in Argentina.

A spirit of nationalism, which is extreme among certain elements, has been increasingly evident in recent years. The present administration is in sympathy, basically, with this trend in feeling. It is evident that protection is going to be afforded those of the local secondary industries that are based on domestic raw materials or those that contribute materially towards the achievement of a desirable measure of economic independence from foreign sources.

Argentina must therefore export its surplus food production and must secure raw materials from abroad for many of its manufacturing industries. The financial services on the public debt and on foreign capital investments in the country have always been met and met punctually. These circumstances, combined with the absence of domestic coal and iron supplies, are

likely to delay the development and expansion of heavy industry which would reduce imports unduly and so the capacity of other countries to buy Argentine products.

FOREIGN EXCHANGE SURPLUS

Argentina holds a huge surplus of foreign exchange in blocked sterling and in dollars, which will be available for the purchase of the products of heavy industry from abroad in the post-war years, such as transportation equipment, including motor transport and railway equipment, and heavy industrial machinery and other equipment to renew or expand existing plant. It will be necessary as well to replenish the stocks of raw materials and the needs in special tools, instruments and equipment that have been difficult or impossible to secure from abroad during the war.

The liquidation of the present large holdings of blocked sterling is likely to have an important effect upon immediate post-war policy in the matter of directing trade through the medium of exchange control. It has been announced officially that a selective system of import control based on the character of the goods will be continued in the immediate post-war years. The chronic shortage of dollar exchange, which was a feature of Argentine pre-war trade, will be alleviated temporarily at least by the existing surplus of dollars; but a final solution to this problem for the post-war period must depend upon the efficacy of the international measures designed to make sterling in particular available, and also other exchanges in surplus supply, to meet any deficit in the future dollar exchange position.

The potential volume of Canadian exports to Argentina, apart from exports of such commodities as newsprint, asbestos fibre, farm implements and other lines in which Canada holds a peculiar advantage in export markets, is likely to depend on an effective solution of this basic exchange problem.

EXCHANGE CONTROL SYSTEM

Argentina has not so far made any basic change in her pre-war system of using exchange control as a supplement to the customs tariff for affording protection to local industry and as a means of giving direction to import trade. The Argentine Government enacted new legislation last year "for the encouragement and defence of (local) industry". This legislation empowers the Executive Power to "use the traditional methods in force in other countries in order to give needed security to local industrial investments through ample and elastic management of the customs tariff"—"customs measures in order to protect local industry against dumping after the war when all the industrial countries will be out for the conquest of new markets"—"to be able to set up import quotas or even forbid imports when such measures are considered indispensable in order to secure the continued development of local industry". A Post-War Planning Committee has been set up recently for the purpose of co-ordinating governmental plans and making recommenda-

tions considered necessary to meet the post-war situation. There have been no definite measures enacted, so that it is only possible to refer to the basic conditions which may influence policy at this time.

TRADE AGREEMENT WITH CANADA

Canada has a most-favoured-nation trade agreement with Argentina which was negotiated and signed during the visit of the Canadian Trade Mission to Buenos Aires in 1941. This agreement establishes a basis for the protection of our trade interests with this country after the war. The inauguration of a direct shipping service between Canadian ports and Buenos Aires designed to improve the competitive position of our exporters to this market would be a matter for study in the light of future developments in respect of basic trade policies which, in turn, would establish the conditions providing for the more or less permanent availability of dollar exchange to pay for all exports from Canada.

ECONOMIC, TRADE AND PRODUCTION NOTES

Belgian Congo

PRODUCTION OF SHOES

Before the war the Belgian Congo did not produce shoes for commercial purposes. In 1943, however, it was reported that more than 25,000 pairs of shoes were produced.

Brazil

PLAN AUTOMOBILE FACTORY

An automobile factory for the manufacture of Brazilian cars from all-Brazilian materials is being planned by a company recently organized with a capitalization of \$5,000,000, according to the Office of the Co-ordinator of Inter-American Affairs. The firm

proposes to use steel from the Volta Redonda mills, motors from the National Motor Co., and batteries, glass, and other parts of Brazilian origin.

PLANS FOR NEW HIGHWAY

Plans for a high-speed, 20-meter-wide highway between Sao Paulo and Rio de Janeiro, Brazil, have been completed as far as Guaratingueta by the Public Highways Department of the State of Sao Paulo and presented to the President of the Republic for approval, according to a report. The new section between Sao Paulo and Guaratingueta would be some 25 miles shorter than the present road as several towns would be by-passed. Maximum grades would not exceed 1 in 25.

Chile

ROAD AND BRIDGE CONSTRUCTION IN 1944

A total of 397,872,371 pesos were invested during 1944 by the Bureau of Public Works of Chile. Of this amount, the Road Department spent 49·5 per cent, or 197,000,000 pesos, in the construction, improvement and maintenance of roads and bridges throughout Chile. This was 32,818,353 pesos more than the 164,181,647 pesos spent by this department during 1943.

INCREASE IN BUILDING ACTIVITY

Chilean construction industry anticipates even greater activity than in 1944 and efforts are being made to eliminate the present housing shortages.

The estimated value of all types of construction increased to 868,481,100 paper pesos during the first 11 months of 1944, or 38 per cent more than the value during the corresponding period of 1943. Construction of dwellings was valued at 720,447,800 pesos, commercial and industrial buildings at 121,397,700 pesos, public buildings at 9,208,500 pesos and other types of structure at 17,397,100 pesos. The rate of increase or decrease amounted to +41 per cent, +28 per cent, -36 per cent, and +116 per cent, respectively, compared with the corresponding period of 1943.

Colombia

MILITARY HIGHWAYS TO BE CONSTRUCTED

The Colombian Government has authorized the issue of 10,000,000 pesos in internal bonds, the proceeds for national defence. According to a report, 4,600,000 pesos are to be used for the construction of military highways from the plans for distribution drawn up by the Minister of Public Works.

TELEPHONE-LINE CONNECTIONS

Colombia has started construction of telephone lines, according to the Colombian press, on the following lines: Medellin-Yarumal-Monteria connect-

ing the network of Atlantico, Bolivar and Magdalena; Medellin-Puerto Berrio-Barbosa-Tunja and Bogota line connecting the networks of Cundinamarca and the Santanders and Boyaca with Antioquia and through this network with the rest of the Republic; Medellin-Sonson-Dorada-Honda line connecting with the Cundinamarca network and also serving to connect with the transversal lines of Tolima and Huila; Medellin to the Department of Caldas and to the Valle del Cauca, following the Troncal de Occidente Railroad route; and finally Medellin-Bolombolo-Quibdo line which will connect Choco with the rest of the country. In this connection four contracts have reportedly been approved and the remaining contracts are to be signed. The total cost of these lines is expected to be approximately 1,000,000 Colombian pesos.

Costa Rica

TRIBUTARY TO INTER-AMERICAN HIGHWAY

A tributary highway in Costa Rica, which is to connect with the Inter-American Highway, was inaugurated recently. Eleven kilometers of the road from San Pablo and San Marcos to Quepos have been constructed and it is hoped that by the end of 1945 the remaining 30 kilometers will be completed.

Dominican Republic

WIRE IMPORTS

Wire imports into the Dominican Republic in the period January-August 1944 included 104,128 kilograms of barbed wire valued at \$9,255; 406,629 kilograms of plain wire (\$42,511); and 693,584 kilograms (\$202,643) under the classification "all other."

Netherlands West Indies

HEAVY RAINFALL BENEFITS CROPS

Unusually heavy rainfall (31·19 inches as compared with the average of 16 inches) greatly benefited Aruba's only important agricultural crop, aloes,

which are largely exported for use in the manufacture of drugs, and kaffir corn, an important item in the native diet. According to a report in the *Foreign Commerce Weekly*, no production figures are available for kaffir corn, of which two crops a year are harvested, but Aruba's normal annual production of aloes is known to be about 500,000 pounds.

Newfoundland

CANADIAN ARMY HUTS

It has been announced that the Canadian Government has turned over a number of huts utilized during the construction period of the Torbay airport to a committee of citizen of Harbour Grace for a token fee. In August of last year the whole business section of Harbour Grace was burned to the ground and the material in the huts will be used in the reconstruction program at Harbour Grace.

MANUFACTURE OF PAPER BAGS

The Newfoundland Industrial Development Board has announced that a company was formed last year for the purpose of operating a paper-bag factory. The promoter of the industry spent some months in the United States at a paper-bag factory, studying operations in detail. One machine has now arrived and is being installed. This machine is capable of manufacturing bags ranging in size from one-quarter pound to three pounds. The company will use sulphite paper made by the Anglo-Newfoundland Development Co. at Grand Falls and production is to commence as soon as the installation has been completed and test runs undertaken.

TOBACCO CONSUMPTION IN NEWFOUNDLAND

The consumption of tobacco in Newfoundland during the twelve-month period ended June 30, 1944, was estimated at 684,000 pounds. Of this amount 488,000 pounds was plug, 16,000 pounds cut pipe tobacco and

180,000 pounds cut tobacco. During the same period 93,000,000 cigarettes were manufactured and 91,000,000 cigarettes of domestic manufacture were consumed. Tobacco imports for this same year amounted to 310,000 pounds, 140,000 pounds of which were plug and 170,000 pounds cut smoking tobacco. Imported cigarettes consumed during the period totalled 265,000,000. Government revenue and excise taxes were estimated at \$1,725,000 for the twelve months.

NEWSPRINT SHIPMENTS

Newfoundland shipments of newsprint in February increased 95.9 per cent over February, 1939, while production increased 17.4 per cent. Shipments to the United States and overseas markets increased 30.3 per cent and 162.3 per cent respectively over the corresponding month in 1939. Production exceeded shipments by 2,223 tons and manufacturers' stocks rose accordingly.

NEWFOUNDLAND SAVINGS BANK

The Director of Savings Publicity reports that for the month of March, 1945, the number of new accounts opened at the Newfoundland Savings Bank was 815, the total amount deposited in these new accounts was \$202,000. For the first three months of 1945 new accounts totalled 2,069 and the cumulative total of deposits in these accounts was \$606,800.

Nicaragua

BIG DEFERRED DEMAND FOR BICYCLES

There is a large demand for low-priced bicycles in Nicaragua, where this vehicle is the most popular privately owned means of transportation, according to *Foreign Commerce Weekly*. The bicycle must be light and sturdy, but not the heavy balloon-tired machines. Either coaster or hand brakes are acceptable. Without accessories other than mud guards, its weight should not exceed approximately 32 pounds for the 22-inch frame, plus one-half pound

additional for the 26- and 28-inch frames. Tire sizes for easy operation are the 26 by $1\frac{1}{4}$ inch, 28 by $1\frac{1}{2}$, and 28 by $1\frac{3}{4}$. Tires should be of the inner-tube type. To facilitate the removal of wheels for repairing and the replacement of tires and tubes, the axle nuts should be of the thumb type. Sufficient maintenance repair stocks should be available.

Pre-war imports of bicycles came chiefly from England and Germany. In 1941 imports numbered 264, of which England furnished 232 and the United States 32, compared with 1939 imports of 222, of which Germany supplied 110, England 105, and the United States only 7. During the war, few bicycles have reached Nicaragua, and the deferred demand is large.

CANADA'S EXTERNAL TRADE IN MARCH

The external trade of Canada, excluding gold, was valued at \$439,493,000 in March as compared with \$440,728,000 for March, 1944, a decrease of \$1,235,000. For the first three months of the current year the value was \$1,155,775,000 as against \$1,180,725,000 for the comparable period of 1944, a reduction of \$24,950,000.

Domestic merchandise exports were valued at \$301,175,000 as compared with \$282,682,000 for March, 1944, an increase of 6.5 per cent. For the first quarter of the present year the value was \$768,037,000 as against \$751,862,000 for the same period of 1944, an advance of 2.2 per cent. (A summary and tabular statement on Canada's exports in March was published in *Commercial Intelligence Journal* No. 2152, April 28, 1945.)

Re-exports of foreign commodities were valued at \$5,831,000 as compared with \$7,260,000 for March of last year, the total for the first three months of this year standing at \$13,194,000 as against \$13,338,000 in the same period of 1944.

Imports

Merchandise imports into Canada in March were valued at \$132,486,000 as compared with \$150,786,000 for the corresponding month of last year, a decrease of 12.1 per cent. For the first three months of this year the value was \$374,544,000 as compared with \$415,525,000 in the like period of 1944, a reduction of 9.9 per cent.

The United States was the chief source of supply, imports from that country being valued at \$105,334,000 as compared with \$123,277,000 for March, 1944, and for the first quarter of the present year the value was \$299,954,000 as against \$345,328,000. The United Kingdom was in second place with a total of \$9,284,000 as compared with \$9,799,000 for March, 1944, and for the three-month period the value was \$25,418,000 as compared with \$23,561,000 for the corresponding period of last year.

The following were among the principal commodities imported into Canada in March, totals for the corresponding month of last year being shown within parentheses: fruits, \$5,081,000 (\$4,376,000); cotton and products, \$10,281,000 (\$8,350,000); wool and products, \$4,339,000 (\$4,656,000); wood and paper, \$4,423,000 (\$3,536,000); rolling-mill products, \$4,893,000 (\$4,074,000); farm implements, \$4,429,000 (\$2,624,000); machinery, except agricultural, \$7,935,000 (\$8,047,000); vehicles, \$7,754,000 (\$9,003,000); electrical apparatus, \$4,586,000 (\$5,202,000); coal, \$7,570,000 (\$8,699,000); petroleum products, \$5,915,000 (\$6,259,000).

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's imports (excluding gold) by principal countries and commodities for the month of March and the three months ending March, 1945 and 1944:—

Imports by Principal Countries

	Month of March 1945	1944	Three months ended March 1945	1944
	Thousands of Dollars			
All countries	132,486	150,786	374,544	415,525
Empire countries	19,555	19,269	54,606	50,206
British East Africa	152	38	372	201
British South Africa	510	1,042	1,465	1,945
Southern Rhodesia	58	80	163	164
British West Africa	1,559	....	3,499	186
Bermuda	1	....	5	3
British India	3,099	2,399	10,516	7,083
Ceylon	528	709	1,996	1,456
British Guiana	860	518	1,894	1,639
Barbados	494	649	1,309	1,964
Jamaica	422	1,205	1,379	3,340
Trinidad and Tobago	27	7	496	52
Other British West Indies	104	49	395	515
Newfoundland	383	478	1,175	1,342
Australia	1,713	995	2,681	2,321
Fiji . . . . .	....	....	638	668
New Zealand	137	1,192	813	2,965
United Kingdom	9,284	9,799	25,418	23,561
Foreign countries	112,931	131,517	319,938	365,319
United States	105,334	123,277	299,954	345,328
Argentina	737	1,572	1,910	3,247
Bolivia	20	....	25	9
Brazil	451	975	997	2,345
Chile	76	36	156	76
Colombia	1,062	961	2,440	2,082
Costa Rica	3	46	64	76
Cuba	156	218	1,221	1,088
Ecuador	26	10	334	20
Egypt . . . . .	....	7	83	30
Guatemala	47	118	170	726
Haiti	38	....	102	252
Honduras	659	71	1,450	182
Mexico	1,687	1,104	3,484	3,164
Netherlands Guiana . . . . .	....	....	....	145
Netherlands West Indies	180	....	329	232
Paraguay	30	3	51	37
Peru	14	....	26	26
Portugal	60	80	214	321
Salvador . . . . .	....	134	89	460
San Domingo	166	961	981	965
Spain	131	190	551	343
Sweden	7	....	7	12
Switzerland	453	496	759	1,204
Alaska	10	24	24	33
Puerto Rico . . . . .	....	8	10	8
Uruguay . . . . .	....	98	16	98
Venezuela	926	937	2,972	2,355

Imports by Principal Commodities

	Month of March 1945	1944	Three months ended March 1945	1944
	Thousands of Dollars			
Total imports	132,486	150,786	374,544	415,525
Agricultural products	17,877	20,389	51,894	52,803
Fruits	5,081	4,376	13,709	11,312
Nuts	647	948	2,147	3,015
Vegetables	1,953	2,170	4,819	4,904
Grains and products	1,191	1,745	2,571	4,074
Oils, vegetable	1,138	1,199	2,814	3,072
Cocoa and chocolate	123	296	950	1,026
Coffee and chicory	168	861	481	2,411
Spices	59	57	150	182
Tea	1,991	1,177	6,991	4,545
Alcoholic beverages	514	404	1,643	1,191
Gums and resins	482	282	1,440	1,022
Seeds	256	283	890	796
Tobacco	155	112	518	363

Imports by Principal Commodities—Con.

	Month of March 1945	1944	Three months ended March 1945	1944
	Thousands of Dollars			
Animal products	3,575	3,609	10,667	10,396
Fishery products	323	262	663	668
Furs (chiefly raw)	1,569	900	5,584	4,085
Hides, raw	228	548	882	1,423
Leather, unmanufactured	311	313	730	755
Leather, manufactured	334	284	795	637
Meats	10	549	169	634
Fibres and textiles	21,113	18,399	50,998	45,011
Cotton	10,281	8,350	24,705	20,366
Raw, and linters	4,271	3,640	10,612	9,461
Yarn	859	799	1,710	1,876
Fabrics	4,417	3,390	10,585	7,966
Flax, hemp and jute	1,359	1,832	4,537	4,075
Fabrics, flax and hemp	95	171	219	373
Fabrics, of jute.	950	1,124	3,230	2,265
Silk	205	141	510	380
Fabrics	201	131	502	367
Wool	4,339	4,656	9,994	10,564
Raw wool	476	1,630	1,957	3,539
Noils and tops	695	1,008	1,129	1,788
Yarn	634	324	1,752	718
Worsteds and serges.	917	753	1,883	2,225
Wood and paper	4,423	3,536	11,183	10,299
Wood, unmanufactured	661	580	1,437	1,454
Planks and boards	438	188	957	576
Wood, manufactured	734	476	1,927	1,530
Paper	1,182	966	3,082	2,905
Books and printed matter.	1,846	1,514	4,737	4,410
Iron and products	34,699	37,371	95,210	109,007
Pigs, ingots, blooms and billets.	709	143	1,154	373
Castings and forgings	975	697	2,528	1,960
Rolling-mill products	4,893	4,074	12,096	11,219
Pipes and tubes	473	381	1,367	1,429
Engines and boilers	2,648	4,854	8,190	12,280
Farm implements	4,429	2,624	11,678	7,974
Hardware and cutlery	361	396	980	1,079
Machinery (except agricultural)	7,935	8,047	19,337	22,343
Stamped and coated products	160	149	417	360
Tools	659	923	1,919	2,636
Vehicles	7,754	9,003	24,702	26,330
Non-ferrous metals	9,367	9,661	24,468	27,539
Precious metals	485	102	678	329
Clocks and watches	484	470	914	1,235
Electrical apparatus	4,586	5,202	11,840	14,265
Non-metallic minerals	19,030	19,661	50,792	56,343
Clay products	1,145	1,162	2,942	3,059
Coal	7,570	8,699	21,247	25,135
Coke	843	796	1,769	2,266
Glass and glassware.	1,603	1,166	3,812	3,141
Petroleum products	5,915	6,259	15,974	18,074
Stone and products	807	665	2,155	2,209
Chemicals	7,501	6,793	18,986	18,974
Acids	304	234	790	706
Cellulose products	475	427	1,264	1,173
Drugs and medicines	805	686	2,165	2,057
Dyeing and tanning materials.	801	636	1,871	1,582
Fertilizers	259	418	723	1,072
Paints and varnishes	797	642	1,988	1,801
Inorganic chemicals	971	984	2,397	2,741
Soda compounds	258	379	831	1,089
*Miscellaneous commodities	14,902	31,367	60,346	85,151
Amusement and sporting goods	270	208	671	501
Personal and household equipment	704	431	1,869	1,105
Refrigerators and parts	16	14	58	31
Musical instruments	76	41	179	111
Scientific equipment	814	756	2,280	2,128
Vehicles, n.o.p. (except iron)	2,117	7,107	6,655	17,933

* Includes certain military stores.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 7, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, May 7, 1945, and for the week ending Monday, April 30, 1945, with the official rate:

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 30	Nominal Quotations in Montreal Week ending May 7	Official Bank Rate
Great Britain	Pound	4.866			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2753	.2753	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0575	.0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6325	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.6024	.6024	—
South Africa	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

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Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—
Census of Canada.

Statistical bulletins respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, wafer, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1945. (Price 25 cents.)

Canada Year Book. (Price \$2.) (Out of print.)

Trade of Canada, External: Annual Report, Calendar Year: Part I, Summary and Analyses; Part II, Exports; Part III, Imports.. (Price \$2 each part.)

Trade, Internal: Prices, cost of living, etc. (Price \$1 per annum.)

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C. M. CROFT, *Director*

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London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

Page	Page
Economic Conditions in South Africa in 1944	421
New Zealand Production Plans.....	427
Newfoundland Budget for 1945-46.....	429
Export Programs for Liberated Areas	431
Market for Canadian Wallpaper in Peru	435
Economic, Trade and Production Notes	437
Trade Regulations and Tariff Changes:	
Canada: Export Permit Regulations Amended	437
United States: Quota on Certain Fish Increased	437
Foreign Exchange Quotations.....	438
Commercial Intelligence Service.....	439

ECONOMIC CONDITIONS IN SOUTH AFRICA IN 1944

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

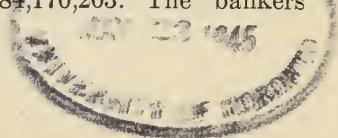
The Christmas trade in 1944 was marked by unusually insistent shopping demand, and turnovers in some places were higher than in previous years. This is accounted for primarily by higher prices, but in some instances actual sales volume was larger. Although shortages are widely evident, the over-all stock position is not unsatisfactory under prevailing conditions, partly because of an improvement in imports and partly on account of increased local production.

The Standard Bank of South Africa Limited reports that its index of business volume was recorded as 189 for December, 1944, as compared with 175, 141 and 103 for the same month of 1943, 1942, and 1939 respectively. The abundance of money has tended to inflate this index, but the bank reports

that, even when allowance is made for that factor, it is evident that South African production and consumption totals are well ahead of pre-war figures.

Financial

The statement of the South African Reserve Bank for January 5, 1945, shows bankers' balances at a new peak of £155,683,587, an increase of £1,795,-551 over the record established only the week before and an increase of nearly £29,000,000 over the figure for twelve months earlier. Note circulation decreased by £1,384,123 to £58,-536,332. The gold holding was reduced by £1,184,408 to £97,647,650 (statutory valuation). Other assets (mainly gold premium account) were £846,781 lower at £84,170,203. The bankers'



holdings of sterling (foreign bills discounted) was raised by £569,007 to £26,087,070. The ratio of gold reserve to liabilities to the public is 43·3 per cent. Deposits held by commercial banks in South Africa rose in December by £8,800,000 to £271,100,000, although advances were virtually unchanged at £42,891,000.

The Reserve Bank figures provide striking evidence of monetary expansion in South Africa. Reverting to the figure for note circulation, given above, the statement for December 29 showed note circulation, under the weight of holiday and year-end demand, at the record figure of £59,920,455, an increase over the previous record of more than £2,000,000, and consequently the decrease noted in the previous paragraph is definitely only relative. Compared with a year ago, note circulation has expanded by nearly £9,000,000.

This abundance of surplus capital is apparent from the readiness with which money is available for new calls. One of the indications of this is the abnormally high prices being paid for homes and for farms. Another is that the Johannesburg City Council floated a loan of £3,000,000 at the lowest rate of interest ever offered (£3 3s. 10d. per cent per annum), and it was oversubscribed in three hours. Plywoods Limited, a Cape Town concern, offered 220,000 shares of 5s. each at 6s. 6d. and was flooded with cheques totalling forty-seven times more than was required. Scaw Metals asked for subscriptions for 250,000 4s. shares at 6s. and received more than six times the total. Short-term government loans are now offered at 2 per cent. Building societies have cut interest on current accounts to 2 per cent and have also limited the amount of money on which that will be paid. In 1944 the nominal capital of new companies registered in South Africa was £29,500,000, which is a record, and at the same time there was a capital increase of £21,750,000 by companies already registered. The situation has found other expression in a number of developments such as

when successful subscribers to new industrial issues arrange to sell, at a premium, the shares allotted to them immediately they come on the market. Meanwhile inflation continues, even though not necessarily recognized.

National Debt

Some interesting figures have been announced regarding the national debt of South Africa, and these are summarized in the following table:—

National Debt of South Africa

Year	Total Debt	Interest Paid
1910	£116,036,977	£ 3,058,327
1920	173,904,818	6,674,943
1933	272,133,818	11,244,053
1939	278,876,359	10,423,390
1944	474,654,177	14,842,465

The increase during the war years is very marked; wartime expenditure from September 4, 1939, to December 31, 1944, allowing for recoveries from other governments, amounted to £402,901,208. However, a most interesting point is that most of the debt is held within South Africa, as indicated by the fact that, as at December 31, 1944, £15,384,669 was paid in interest within South Africa, while only £683,133 was paid outside the country.

Company Registrations

As noted elsewhere, the nominal capital of companies registered in 1944 established a record. The financial figures show a total registration of 1,521 new companies and, although this was 40 less than the record in 1937, the capital was much higher. In addition, 446 companies increased their capital by £21,750,000.

Of the new registrations, all but eight were South African companies, and two-thirds of the total have their head offices in Johannesburg. The large total was brought about mainly by five companies each with a registered capital of £1,000,000 or more. These were as follows:—

De Beers Industrial Corporation, Ltd.	£6,000,000
Anglo-Transvaal Industries, Ltd.	1,500,000
Vaal Reefs Exploration and Mining Co. Ltd.	1,000,000
Tiger Oats and National Milling Co. Ltd.	1,000,000
Volkskas Beperk	1,000,000

In this general connection there was also a record number of applications for trade marks, which totalled 2,522 as compared with 1,830 in the previous year and 2,344 in the record year 1934. More applications than ever before were also received for patents, of which there were 1,821, which is about 230 more than in 1943.

Gold Mining

As the prosperity of South Africa is still closely tied to the prosperity of gold mining and because recent years have brought prophecies concerning the limited life of the current gold fields, South Africa marks with great interest any development which may bring an extension to the life of gold mining. One of the happy prospects is the development of new gold fields in the Orange Free State to the south of the present mining centre, commonly termed the Witwatersrand. Prospecting has reached an advanced stage, and definite resources of substance have been located.

Another interesting development would be deep-level expansion of gold mining, that is, mining below the present depth limit of 8,500 feet (approximately 2,500 feet under sea-level). A committee on deep-level mining reported early in 1945 that the tonnage of ore available at depth below the present limit is extensive and has a current value of about £200,000,000. The committee considers that, with certain improvements, mining could be carried to a depth of 10,000 feet, but that greater depth would require the adoption of improved methods. The problems are mainly centred around ventilation, refrigeration, mine support and physiological difficulties. The problem of cost is also related to taxation of the mines, which have frequently

protested that taxation is onerous and restrictive of further investment and development.

With costs showing a higher level and with supplies of native labour still inadequate, the gold-mining industry ended 1944 with a continued decrease of output. The record figure for 1941 of 67,255,450 tons of ore crushed and yielding 14,039,912 fine ounces of gold has continued to decrease to the 1944 figures of 58,504,400 tons of ore, yielding 11,992,717 fine ounces. More important is the fact that the yield per ton shows a more drastic decrease. In 1944 it was only 4·039 dwt. as compared with 4·13 dwt. in 1941 and 4·729 dwt. in 1935 and the high figure of 5·685 dwt. in 1933. It is significant that working costs increased from 21s. 11d. per ton milled in 1943 to 22s. 10d. in 1944. Expressed in another way, working costs increased from £5 6s. 11d. per ounce of fine gold produced in 1943 to £5 12s. 11d. in 1944. When the gold standard was suspended in 1932, the working costs were 19s. per ton milled.

Agriculture

Before the war, surpluses constituted one of the difficult problems with which the farmer had to contend, but during the past year or so, as a result of a large increase in consumption, supplies have been adequate but not plentiful, and climatic factors have not been too favourable. The total rainfall has been sufficient but has fallen at unsuitable times and, in fact, some continuous rains have had an adverse effect on certain corn areas. Exceptional floods were experienced in February, especially along the Vaal River, and about the end of May there were floods in the Eastern Cape province. During the latter part of the year drought prevailed over the greater part of South Africa and in many areas reached critical proportions. The hot windy weather scorched large tracts and proved a serious setback to standing crops, especially in the north. Variable rains fell during the early part of 1945,

but substantial rainfall was very late in coming.

In the corn-growing areas, early autumn rains encouraged extensive planting, and a record crop was predicted, but these corn fields were seriously affected, and it is not to be anticipated that the crop will meet the country's requirements.

Generally speaking the food position is reasonably good, although some products have been very scarce, particularly meat, potatoes and butter and also cheese. There have been some complications resulting from endeavours to make effective price control policies, particularly in regard to meat, and the resulting conflict of interests brought about severe shortages for many weeks, but apparently seasonal improvements have overcome this problem for the time being at least.

The shortage of farm labour remains one of the difficult problems and is naturally hampering efforts to increase production. The shortage of many agricultural implements and some machinery is also a problem, but the import position improved considerably during the year. There is still a considerable shortage of fertilizer, which continues to be rationed. It is reported that some soils have become exhausted through lack of fertilizer. Local production is at capacity, but demand has increased greatly because of the campaign for increased production and as a result of improved prices for farm products. Imports have been hampered by shortage of shipping, but a good volume of rock phosphate was imported and will yield a substantial tonnage of fertilizer.

Production and Export of Foodstuffs

In view of irregular shortages of foodstuffs in South Africa, partly accounted for by natural conditions and partly by the increased consumption occasioned by the presence of air force personnel in training, prisoners of war, and passing convoys, the production and export figures for certain main foodstuffs are noteworthy.

Potatoes.—In 1939 South Africa produced 224,475 tons of potatoes, and the figure was almost the same in 1943 at 220,575 tons. However, the 1943-44 crop was only 161,625 tons. Exports for each of the three years were respectively 5,676 tons, 26,385 tons and 8,960 tons (11 months only).

Butter.—Butter production in 1939 was 64,000,000 pounds; it increased to 68,600,000 pounds in 1943 but decreased to 61,800,000 pounds in 1944. In the same years the export figures were respectively 7,128,000 pounds, 3,783,000 pounds, 2,065,000 pounds (11 months only). An interesting feature is that the quantities of butter used in state-aided schemes for relief of the lower-income groups amounted respectively to 4,094,333 pounds, 4,026,179 pounds and 3,708,719 pounds (11 months only). The imports of butter, mainly from Southern Rhodesia, also reflect the supply situation; they were 15,000 pounds in 1939, 1,722,000 pounds in 1943, and 67,230 pounds in 1944.

Eggs.—Egg production figures are not available, but exports of eggs decreased from 3,522,511 dozen in 1939 to 909,592 dozen in 1943 and 519,000 dozen in 1944 (11 months only). Imports were negligible.

Milk.—Milk production figures also are not available, and exports are negligible, but state-aided schemes, for the assistance of the poorer classes, used 1,793,099 gallons in 1939, 1,235,599 gallons in 1943 and 1,263,397 gallons in 1944 (11 months only), while the production of condensed and dried milk, for which the 1939 figures are not available, used 11,647,000 gallons in 1943 and 9,609,000 gallons in 1944. Cheese-making is estimated to have consumed 15,000,000 gallons of milk in 1939, 16,700,000 gallons in 1943, and 14,200,000 gallons in 1944; the respective figures for the consumption of milk in butter-making are 160,000,000 gallons, 171,500,000 gallons and 154,600,000 gallons.

Meat.—No figures are available concerning the quantity of meat preserved and canned in 1939 and 1943, but the total for the first eleven months of 1944 was 5,168,784 pounds. Exports of meat (including ships' stores) were as follows:—

South African Exports of Meat

	Beef	Mutton	Pork
	Figures in Pounds		
1939	6,466,200	3,102,000	46,200
1943	13,617,000	4,062,000	2,246,000
1944	3,328,800	993,800	625,000

Imports were not extensive except in 1943 when 7,368,287 pounds of beef were purchased from neighbouring territories.

Stocks of foodstuffs in South Africa as of January, 1945, showed a sharp drop as compared with figures for the same month of 1944. In January, 1945, there were 3,771,741 pounds of butter manufactured, and there were 1,387,312 pounds in creameries and cold storage. The figures for the corresponding month of 1944 were 5,781,603 pounds and 5,184,250 pounds respectively. Bacon and ham stocks decreased by over half a million pounds and cheese stocks by 465,000 pounds.

Import Trade

Some interesting globular figures have been made available regarding total imports into South Africa during the past four years; values in terms of millions of pounds are shown in the following table:—

	1941	1942	1943	1944
	Millions of Pounds Sterling			
United Kingdom .	30.0	32.0	19.0	24.0
United States	38.0	16.0	12.0	18.0
India	4.0	7.0	8.0	11.0
Argentina	0.9	2.0	9.0	4.0
Brazil	0.7	1.7	6.0	4.0
Canada	7.0	4.0	2.0	3.0
S. Rhodesia	0.6	0.9	1.0	2.0
Belgian Congo ...	0.6	2.0	3.0	3.0

Total exports from South Africa (excluding gold and wool) were valued at £33,000,000 in 1941, £36,000,000 in 1942, £33,000,000 in 1943, and £39,000,000 in 1944.

Industry

Despite a continued scarcity of materials and fluctuating shortages in availability of skilled labour, South African manufacturers have had a busy year. At the end of 1943 the general index of employment (whites, natives and coloureds) figure was 1806 as compared with the basic figure of 1000 for July, 1925. The monthly average for 1943 was 1827. After declining to 1796 in January, 1944, it rose steadily until the average figure for the first ten months of the year was 1846 as compared with 1831 for the same ten months of 1943. Incidentally, the highest annual average figure on record is 1936 for 1942.

JOHANNESBURG

In this industrial area footwear manufacturers are still experiencing difficulty in obtaining adequate supplies of suitable leathers but continue to be actively engaged on contracts for both military and civilian use. Textile manufacturers find stocks of raw materials far below full needs, but employment in the factories is being maintained at a steady level. The engineering trade is busy, and the demand for products of the furniture factories continues.

CAPE TOWN

Shortages of basic materials restrict operations, particularly in the footwear and printing trades, although tanners are busy within the limits imposed by hide shortages. Engineering shops are fully occupied. The fruit-canning trade, which has been so busy during the war, is beginning to see the end of war contracts and is turning to supplies for the domestic market.

DURBAN

Food-preserving factories have been operating at a satisfactory level, although the quantities of fruits and vegetables have been somewhat reduced. Clothing and furniture manu-

facturers are busy, but are experiencing shortages of materials.

PORT ELIZABETH

The automobile trade continues to be depressed, although there have been some limited releases of commercial trucks. Engineering shops are very busy, and tanners and footwear manufacturers are fully occupied.

EAST LONDON

Engineering shops, although short of materials and skilled labour, are actively engaged, mainly on government contracts.

Building

Conditions in the building and allied trades improved somewhat, as building permits were issued on a slightly more liberal basis, but cement, timber, galvanized iron and various fittings continued in rather short supply. The total value of building plans passed in seven leading places in South Africa during 1944 amounted to nearly £10,000,000.

Transportation

The revenue of the South African Railways and Harbours, Steamships and Airways are summarized in the following table for the last nine months of 1944, with comparative data for 1943:

Revenue from Transportation Services

	April-December	
	1944	1943
Railways—		
Revenue	40,427,908	37,161,557
Expenditure	39,343,992	34,743,412
Surplus	1,083,916	2,418,145
Harbours—		
Revenue	1,493,293	1,512,377
Expenditure	1,943,440	1,840,303
Deficit	450,147	327,926
Steamships—		
Revenue	709,275	745,885
Expenditure	639,137	858,711
Surplus	70,138	...
Deficit .....	....	112,826

	April-December 1944	1943
	£	£
Airways—		
Revenue	35,131	1,528
Expenditure	54,696	39,367
Deficit	19,565	37,839
Total for all services—		
Revenue	42,665,607	39,421,347
Expenditure	41,981,265	37,481,793
Gross Surplus	684,342	1,939,554
Net revenue appropriation account	743,632	1,267,556
Net surplus .....	....	671,998
Net deficit	59,290	....

The estimates of expenditure to be defrayed from revenue by the Railways and Harbours Administration in the fiscal year April 1, 1945, to March 31, 1946, show an increase of £7,592,000 from the figure for 1944-45 of £53,455,000. Expenditure on the railways will increase by £7,572,000 from £48,524,000; on harbours by £82,000, from £2,592,000; on airways, by £233,000, from £55,000, with an additional £10,000 to be spent on aerodromes; expenditure on steamships will drop by £305,000, from the 1944-45 figure of £1,297,000.

The seven temporary radio stations operated by the Railway Administration continue to justify themselves. Originally installed to provide emergency communication, they have proved invaluable in relieving the congestion on land lines. Material for permanent long-distance radio stations is being received, and construction is under way, and it is hoped that it will not be long before wireless telephony will be used on the trains for public as well as railway use.

Railway stores purchased in South Africa were valued at £10,326,397 and at £1,963,657 from other sources.

As noted above, estimates of expenditure to be defrayed from revenue in the financial year 1945-46 show an increase of £7,592,000. Divided into main classes, expenditure on maintenance of permanent way and works will cost £1,050,071 more than in 1944-45, the maintenance of rolling-stock will cost £893,556 more, running expenses will be £1,304,105 higher, traffic ex-

penses £1,530,905 greater, road motor services £331,077 more, and catering and bedding services will be increased by £273,689.

Social Security

While the announcement was made early in 1945, research carried on mainly in 1944 brought government proposals of measures for the development of Social Security which, it is estimated, will cost £16,350,000 a year by 1947-48, together with an amount, as yet unknown, for extension of health services. The main proposals are:—

1. Old-age pensions to be continued on the existing non-contributory basis, but improved by raising the maximum pension per individual to £60 per annum and by the application of a more liberal means limit.

2. Invalidity grants and blind pensions to be improved in a manner similar to that of old-age pensions.

3. Improved grants under the Children's Act, and the payment of allowances in respect of the third and sub-

sequent child under the prescribed age, in families of slender means.

4. The expansion of the scope of existing unemployment benefit arrangements to cover many more persons, particularly those in the low-wage group, but with the retention of the principle that employees, employers and the State should all contribute to the unemployment fund.

5. An arrangement for subsidizing the provinces to assist them in providing extended hospital services.

6. The development of health centres, with due regard to health education and preventive service as well as curative services.

7. The continuation and expansion of the various social services now rendered by the various government departments.

8. The introduction of other forms of benefit, such as sickness benefits (payments in lieu of wages lost during sickness), as circumstances and the increase in the national income permit.

NEW ZEALAND PRODUCTION PLANS

By C. B. BIRKETT, *Acting Trade Commissioner at Auckland*

In a recent announcement the Minister of Agriculture gave an indication of the production objectives of New Zealand necessary to enable the Dominion to make her agreed contribution to the food supply of the world. The announcement is generally regarded as the blueprint of requirements in primary production for the next three seasons and the part to be played by the industry in post-war reconstruction.

The governing consideration in planning production has been the needs of Britain, and great satisfaction is felt over the prospect of this country playing a prominent part in maintaining supplies of food to that country and perhaps being responsible for some relaxation in the strict rationing now in force, particularly of butter, cheese and meat.

BUTTERFAT OUTPUT

The output of butterfat for the current season will reach the objective of 180,000 tons, if it does not exceed it. For future years the plans call for 190,000 tons in 1945-46, 200,000 tons in 1946-47, and 210,000 in 1947-48. On the achievement of this last-mentioned figure, butterfat production in New Zealand will be restored to the level established in 1940-41.

The natural corollary to this increase in butterfat production will be the creation of a greater cow population. In the 1943-44 season there were 1,690,000 cows in milk; by the season 1947-48 this number will have to be built up to over 2,000,000. During the 1944-45 season the aim is to produce 67,000,000 gallons of liquid milk, and in 1947-48

it will be necessary to produce 79,000,000 gallons.

MEATS

The present yearly production of about 38,000 tons of pig meat will have to be stepped up to 60,000 tons by 1947-48 in order to parallel the increase in butterfat production. To do this will require an increase in sows from the present 75,000 to 115,000.

The current output of all meats has been put at 486,000 tons per year. This figure compares with the average production of 470,000 tons between the years 1936 and 1939 and 530,000 tons specified for 1947-48. The present population of beef cattle and sheep is such that the authorities are confident that the above-mentioned production can be reached and maintained.

WOOL

Compared with the ambitious plans for butter and meat, the objectives in respect of wool represent only a slight increase over the present year's production of 147,000 tons. This is the result of the uncertainty in the minds of the authorities as to the future of wool and the very substantial unshipped carryover that exists to-day, notwithstanding the agreement that is in operation between New Zealand and Britain, whereby the market for wool is assured for the duration of the Japanese war and one year after.

FIELD CROPS

In field products the plan calls for varying increases in the production of wheat, barley, oats, potatoes, onions, and other grains and seeds. Wheat this year has been a great disappointment, largely owing to the failure to encourage farmers to sow the necessary 300,000 acres and the unfortunate flooding in the South Island, where a percentage of crops was ruined or rendered useful only for feed. The drive for more wheat is to be continued. The area sown last year was 187,000 acres, which falls much short of the objective

of 300,000 acres, the area considered necessary to make the Dominion self-supporting. Further consideration is now being given to the question of a higher price to make it more attractive for farmers to produce and bring it into better relation with butterfat, meat, wool, etc.

It is noteworthy that during 1944 New Zealand was an importer of wheat, onions, seed oats, malting barley, feed meal, copra meal, stock meal, peanut meal, linseed meal, maize and molasses. This list indicates how dependent New Zealand is on outside sources for the feeding of her stock.

The aims and objectives outlined above, while in close accord with the world requirements of food as set forth at the various world conferences held on the subject, are not the result of commitments that the New Zealand Government has made, since no legislation has yet been brought down to ratify the agreements broadly outlined at the conferences.

In achieving the objectives set for them, the farmers are being urged to co-operate closely with their district Primary Production Councils and thus avoid government direction in the matter—a direction that the authorities are quite prepared to apply where necessary.

Cellulose

Cellulose is the framework of plants, shrubs or trees up which are conveyed starchy and gummy substances essential to life and growth. This skeleton consists of myriads of cells, tubular in structure with porous outer walls; these cells or fibres differ in size and construction in each kind of plant or tree. The starchy substances creeping up by capillary attraction through the minute canals of the fibres ultimately become converted into pectose and lignose. The latter, being cellulose in the process of formation, may be removed by various physical and chemical processes which differ according to the type of raw material under treatment.

NEWFOUNDLAND BUDGET FOR 1945-46

By J. C. BRITTON, *Acting Trade Commissioner at St. John's.*

The Commissioner for Finance for Newfoundland in his budget speech delivered on April 27 reported a surplus of \$6,981,767 for the fiscal year ended March 31, 1945. This represents an increase over the surplus for the previous year amounting to \$5,643,700 and was the fourth successive year for which a surplus has been announced. Newfoundland's accumulated net surplus now stands at \$22,676,000. Of this amount temporary interest-free loans totalling \$10,500,000 have been made to the United Kingdom, plus an additional \$1,800,000 advanced out of the sale of War Saving Certificates.

Both revenue, which amounted to \$33,310,014 in the fiscal year 1944-45, and expenditure, totalling \$26,318,247, exceeded estimates by a considerable margin. Base construction had tapered off prior to the beginning of the 1944-45 fiscal year, and these projects, therefore, did not offer the same opportunities for employment as during the past two or three years.

It has been stressed that the record revenue for 1944-45 was forthcoming to a larger extent from activities connected with the fisheries and forestry, around which Newfoundland's economy is centred. There was a continuous demand for fishery and forestry products throughout the year at consistently high prices, and this fortuitous circumstance undoubtedly favourably affected the general position. The country's revenue is, however, principally derived from direct and indirect taxation of imports, and returns from this source are largely responsible for the record revenue reported.

Revenue in 1944-45

The Department of Customs accounted for 54 per cent of the total revenue of \$33,310,014 in 1944-45, and direct taxation was responsible for 30 per cent. These two totals both were considerably higher than the estimated figures.

A breakdown of the total revenue collected by the Assessor of Taxes shows that income and corporation taxes accounted for \$6,784,000; excess profits tax for \$2,622,000; non-resident tax for \$183,000, and death duties for \$218,000. The number of persons and corporations assessed for income and corporation taxes in 1944 was nearly three times as many as in 1939. Revenue of the Department of Posts and Telegraphs was less than for the previous year by \$149,000 and that of the Department of Natural Resources also decreased. The Board of Liquor Control showed returns slightly higher than those of the previous year.

Expenditure in 1944-45

Expenditure in the fiscal year 1944-45 amounted to \$26,318,247, exceeding the estimate by \$2,062,000. A substantial part of the additional expenditure was of a capital nature and was devoted to reconstruction services.

Estimated Expenditure for 1945-46

In estimating expenditure for the fiscal year 1945-46 at \$28,404,300, provision has been made for reconstruction projects, including a railway program comprising the erection of a new freight-shed and repair shop at St. John's, improvements to the terminal at North Sydney, and the purchase of twenty-five refrigerator cars, rolling-stock and new rails. Allowance has been made for fisheries research, to include investigations of the herring supplies undertaken jointly with the Canadian Government and certain provincial governments; examination into the operation in Newfoundland of a cold extraction process for the manufacture of cod liver oil, and for payment of a bounty which is being granted to a Newfoundland manufacturer of small marine engines. The sum of \$1,000,000 has been voted for the building of vessels and the exten-

sion and erection of bait depots. An allocation has been made for a survey of available water power in Newfoundland.

There are also other reconstruction undertakings which include the building of roads and bridges and housing in St. John's. Social services are to be greatly expanded, expenditure for these services during the forthcoming year approximating \$8,000,000. The Commissioner announced a number of tariff changes and also stated that the special war revenue tax of $7\frac{1}{2}$ per cent would be removed from a list of commodities.

Estimated Revenue for 1945-46

The Commissioner for Finance estimates revenue from all sources for the fiscal year 1945-46 at \$29,087,300, which allows for a prospective surplus of \$683,000. It is suggested that in the present fiscal year total expenditure may actually exceed revenue, as it is likely that provision will have to be made during the year to implement the civil re-establishment program. Given a continuous demand for Newfoundland products, which seems likely in view of the short world supply position for fishery and forestry products, and an assured flow of imports at or about the same level of the past year, Newfoundland's economy should not decline to a marked degree.

Revenue from customs for 1945-46 has been estimated at \$16,200,000 and, although this total may not be reached, the final figure should not fall far short of this amount. Direct taxation is expected to provide \$8,500,000 and, as returns are assessed on the previous year's income, this total should be reached and possibly exceeded.

Bank returns at December 31, 1944, show a further increase in the volume of private and corporation savings and, after the deduction of government balances, interest-bearing or savings deposits amounted to \$59,500,000, an increase during the year of over \$7,000,000. Non-interest bearing deposits

totalled \$21,500,000, an increase of \$1,500,000. A proportion of these funds should be available for the development of local industries and other undertakings, and the country may be expected to benefit from these savings over the next few years.

Post-war Rubber Supply

Hopes that after the war there will be sufficiently extensive and supplementary uses to absorb the whole of the natural and synthetic rubber supplies of the world, which were held in certain sections of the rubber trade, have been severely shaken by the statement published after the recent Washington meeting of the International Rubber Study Group. The group, formed last year by the governments of the United States, the United Kingdom and Holland, anticipates that within three to four years after the liberation of the Eastern producing countries world production of plantation rubber will recover to 1,500,000 tons, which is nearly as much as supplies in the record year 1941. Synthetic rubber production after the war is expected at a potential maximum of about 1,333,000 tons. As against this total prospective output of not very much less than 3,000,000 tons, world consumption is expected by the Study Group to reach in the early post-war period at best a rate of 1,500,000 tons.

There is a growing tendency in the United States to consider the future of its synthetic rubber works soberly, and the prospects that the majority of the works will remain in operation after adequate quantities of crude rubber are again available are steadily shrinking. Nevertheless there will undoubtedly be a surplus of rubber within a few years of the end of the war, and some form of international regulation will be required to prevent unsettled markets.—From *The Times Trade and Engineering Supplement*.

EXPORT PROGRAMS FOR LIBERATED AREAS

European Countries and Their Colonies

The Department of Trade and Commerce has received programs of civilian requirements from the following liberated areas: Metropolitan France, French North Africa, French West Africa and other French Colonial possessions, Belgium, the Netherlands, and Italy.

In addition to the above complete programs, partial programs and spot requisitions have been received from Norway and Denmark.

Due to the shortage of shipping space, and so that funds may be expended in the best interests of the overall civilian economies, supplies for most liberated areas are temporarily being procured by purchasing missions in the United Kingdom, the United States and Canada. Private trade with Norway and Denmark is still prohibited, and even the others, under present conditions, are not issuing import licences. Exceptions to the foregoing, however, are the French Colonial possessions and the Belgian Congo, with which private trade has been resumed, subject to the granting of import licences by the Colonial authorities concerned.

Private trade with French North Africa and French West Africa will be resumed in the second half of this year with certain restrictions, which will be dealt with in a subsequent article. In the case of areas in which the resumption of private trade awaits only the granting of import licences, Canadian firms are at liberty to carry on correspondence with a view to establishing agency connections and exchanging information in anticipation of the time when import licences will be granted.

While some of the agencies handling programs for these liberated areas have Canadian funds at their disposal and are at liberty to negotiate directly with Canadian manufacturers, they have, for the most part, to date preferred to place their orders through the Canadian Export Board. It would therefore

be advisable for firms offering supplies to have their names listed with the Canadian Export Board. They may also wish to approach the purchasing missions direct for additional information or preliminary advice, especially if the product offered is of a technical nature or involves precise specifications.

Agencies in charge of programs in Canada for the above-mentioned countries are as follows:—

French Supply Mission, 464 Wilbrod Street, Ottawa.

Belgian Economic Mission, 395 Laurier Avenue East, Ottawa.

Netherlands Economic, Financial and Shipping Mission, 1620 Belmont Street N.W., Washington 9, D.C.

Commercial Counsellor, Royal Norwegian Embassy, Washington 7, D.C.

Einar Cohn, Royal Danish Legation, 2343 Massachusetts Avenue N.W., Washington 8, D.C.

Although a program for Italy has been received, a program procedure has not as yet been officially established. For the present any purchases made are being channelled through the Canadian Export Board.

Other Areas

Manufacturers and exporters wishing to participate in Canadian supplies for UNRRA should first of all have their names and products listed with the Canadian Export Board and in some cases with other Canadian Government purchasing agencies. These other agencies are the Wheat and Grain Division, Department of Trade and Commerce; the Canadian Meat Board; the Special Products Board; and the Dairy Products Board.

Supplies to be bought by the Dominion Government for the UNRRA account are for the most part purchased on the tender system. The Canadian Mutual Aid Board, which has under-

taken to administer funds earmarked by the Canadian Government for UNRRA, has set up an UNRRA Procurement Division. This Division receives an order from UNRRA and, following approval for supply and finance, passes it to one of the several government buying agencies mentioned above, who will send out tenders and look after the fulfilling of the contract. Should any firm, however, have any special offers to interest UNRRA, such information should be forwarded to the Canadian Mutual Aid Board, UNRRA Procurement Division, Ottawa, who will determine UNRRA'S interest and, if such an offer is acceptable, will in turn advise the proper procurement agency and contact the supplier concerned.

While China is not yet liberated, supplies are going forward to the unoccupied section. Up to the present the Canadian contribution has been mainly in military supplies procured through the Department of Munitions and Supply. However, a partial program of civilian requirements has been prepared by the National Resources Commission of China, consisting of complete industrial plants (cement, ammonia, calcium carbide, lumber mill, etc.), power plants, machinery and machine tools, electrolytic copper, and aluminium ingots. Some of these requirements may be sought in Canada. Such purchases as are made here will be through the Canadian Export Board, at least for the time being.

Likewise in the case of the Netherlands East Indies, although still a theatre of military operations, a program of requirements has been prepared, and procurement is being initiated to a limited extent. This procurement will be for the immediate requirements of the native population during the period of military administration, such as foodstuffs, clothing, and medical supplies. Purchase may be indefinitely delayed for such other items in the program as tools and equipment for farmers and fishermen, plant and machinery, etc. Where pur-

chases are to be made in North America, the Netherlands Purchasing Commission, mentioned above, will be the procurement agency, possibly negotiating direct with exporters, but more likely through the Canadian Export Board.

Commodity Requirements

Commodities requested by one or more of the above agencies and which may be of interest to Canadian industry immediately or in the near future are listed below. This list includes items which are at present under Combined Board allocation or for which other special procedure is necessary to effect release:—

Shipyards—

Swinging boom cranes (shipboard derricks or travelling gantry cranes).

Travelling crane engines (without framework).

Mechanical equipment for crane lighters.

Diving equipment.

Marine equipment.

Underwater blow torches.

Equipment for Fishing and Merchant Vessels—

Motor trawlers.

Escort vessels.

Nautical equipment.

Anchors.

Hooks for the fishing trade.

Merchant Marine—

Coasting freighters.

Cargo and passenger freighters (C or Victory Type).

Floating cranes.

Floating docks.

Seagoing tugs.

Motor lighters or barges.

Dump barges.

Seagoing bucket dredges.

Seagoing pump dredges.

Force pumps.

Sounding boats.

Electric gantry cranes.

Travelling cranes.

Capstans and winches.

Complete unloading outfits.

Inland Waterways Navigation—

Self-propelled barges.

Self-propelled river barges.

River tug-boats.

Paddle-wheeled tugs, 1,000 to 1,200 h.p.

Paddle-wheeled tugs, 1,200 to 1,600 h.p.

Floating cranes on lighters.

Travelling cranes.

Bucket dredges.

Pile-driving hammers.

Chains.

Anchors.

Railroads—

- Signal equipment.
- Fish-plates for S-33 rails.
- Fish-bolts.
- Grower washers.
- Mobile workshops for rail welding.
- Workshops for tie refitting.
- Galvanized wire for track transmission.
- Steam locomotives, standard gauge, coal burning.
- Spare parts for locomotives.
- Assembly axles.
- Railroad cars (box, gondola, tank, refrigerator).
- Machine tools for locomotive repair workshops.
- Railroad equipment maintenance.
- Cranes, 70 to 80 tons.

Special Equipment for the Food Industries—

- Flour mills.
- Fat-processing industries (oil plants).
- Soap factories.
- Sugar mills and refineries.
- Dairy industry.
- Canneries.
- Distilleries.
- Chocolate industry.
- Italian pastes and diet foods.
- Bakeries, pastry shops and biscuit factories.
- Meat and delicatessen meat industries.
- Preserving and fruit juices.
- Belts, piping.
- Hardware.
- Handling and packing equipment (hand- and motor-driven for above equipment).

Oxygen Production Equipment**Agricultural Machinery****Engineering Equipment—**

- Centrifugal pumps.
- Volumetric pumps for gasoline and heavy products and centrifuges for stocking installations.
- Motor air-compressor sets.
- Steam shovels.
- Scrapers.
- Other civil engineering equipment (bulldozers, carriers, etc.).

Machine Tools—

- Engine lathes, large.
- Engine lathes, medium.
- Engine lathes, small.
- Semi-turret lathes.
- Other lathes.
- Vertical boring mills.
- Thread-cutting machines.
- Knee- and column-type milling machines.
- Other milling machines:

 - Universal.
 - Production.
 - Vertical drilling machines.
 - Other drilling machines (multiple).
 - Planers.
 - Shapers.
 - Tool and cutter, grinding.

- Other metal grinding machines and parts:

 - Stand grinders.
 - Bench grinders.
 - Swing frame grinders.
 - Cut-off grinders.

Machine Tools—*Con.*

- Stamping and forging machinery.
- Soldering equipment (irons, etc.).
- Portable pneumatic tools.
- Miscellaneous calipers, gauges, etc.
- Woodworking machines.

Machines and General Purpose Material—

- Steam engines.
- Steam boilers.
- Hydraulic turbines.
- Internal combustion engines (including Diesel).
- Industrial combustion equipment (ovens, burners).
- Ball-bearings.

Radio Broadcasting Equipment—

- Aerial equipment (279-foot towers and accessories).

Commercial Radio Equipment and Domestic Receiving Sets—

- Vacuum tubes.
- Wire communication systems.
- Recording and reproducing systems.
- Sound systems.
- Receivers.
- Trans receivers.
- Transmitters.
- Aviation ground equipment.
- Airborne equipment.
- Point-to-point communications.
- Mobile radio communication systems.
- Marine radio.
- Industrial electric equipment.

By-products of Coal—

- Coal-tar pitch.

Mining Equipment—

- Facing equipment:

 - Coal-cutting machines.
 - Hammer drills.
 - Jackbits.
 - Drills.

- Propping materials:

 - Shapes or arches.

- Compressed air:

 - Compressors.

- Miscellaneous equipment:

 - Blowers (secondary).
 - Pumps (primary).
 - Pumps (secondary).
 - Hoisting crabs.
 - Hoists.
 - Driving drumheads for belt conveyors.
 - Coal cranes.

Material for the Motor Fuel Industry—

- Material for the equipment of refineries.
- Drilling material.
- Flexible piping, 50 to 200 mm. diameter.

Ores and Minerals—

- Zinc ore.
- Cobalt ore.
- Tungsten ore.
- Molybdenum ore.
- Asbestos fibre.
- Mica.
- Graphite (amorphous).
- Dead-burnt magnesite.
- Calcium cyanide.
- Calcium carbide.

Metals—

Tool and alloy steel.
 Aluminium.
 Copper for copper sulphates.
 Copper for mechanical and electrical industries.
 Zinc.
 Lead.
 Cobalt.
 Cadmium.
 Nickel.
 Mercury.
 Ferro-manganese.
 Ferro-chrome.
 Ferro silicon (all grades).
 Platinum.
 Silver.
 Bismuth.
 Magnesium.
 Palladium.
 Radium.
 Iridium.
 Osmium.

Chemicals—

Nitrogen fertilizers.
 Rubber compounding chemicals.
 Acetic acid.
 Nickel sulphate.
 Uranium salts.
 Selenium.
 Tellurium.
 Commercial explosives, detonators and fuses.
 Trichlorethylene.
 Canada balsam.
 Vitamin A enriched oil.
 Thymel.
 Bismuth salts.
 Folliculine.
 Progesterone.
 Pharmaceutical glycerine.
 Strychnine sulphate.
 Insulin.
 Sulfa drugs.
 Penicillin.

Paper**Paints, Enamels and Lacquers****Finished Rubber Products—**

Hoses.
 Brake-coupling sleeves.
 Joint packings.
 Conveyor belts.
 Miscellaneous mechanical goods.
 Nipples.
 Sterilizer caps.
 Probes and drainage tubes.
 Surgical gloves.
 Adhesive plasters.
 Draw and hospital sheets.

Foods—

Wheat.
 Oats.
 Powdered skimmed milk.
 Canned and smoked fish.
 Macaroni.
 Dried apples.
 Dried vegetables.
 Lard.

Foods—Con.

Soap.
 Linseed oil.
Draft Horses
Ironwork Products—
 Small girders.
 Concrete reinforcing bars.
 Ironwork bars.
 Squares and flats.
 Angle irons.
 T and U bars.
 Blooms.
 Tube bars.
 Hoop iron.
 Plates.
 Sections for cars and trucks.
 Stamped pieces and railway hardware.
 Corrugated sheets.
 Tin.

Leather and Hides**Motor Trucks****Raw Wool****Binder Twine****Miscellaneous—**

Abrasive cloth and paper.
 Asbestos roofing, shingles and rolls.
 Twin-engine medium-transport aircraft.
 Bailey DD bridge sections.
 Pipe and tubing (from skelp).
 Copper wire and cable.
 Small tools.
 Bolts, nuts and screws.
 Tacks.
 Razor blades.
 Galvanized wire.
 Tableware (cutlery).
 Enamelware.
 Cement.
 Clay and products (including fireclay).
 Batteries, dry.

The United States is the world's largest importer of bananas, in pre-war years taking annually about 50,000,000 stems or more than half the world supply.

* * *

The peak outlay by United States citizens for travel abroad was in 1929, when it reached an estimated \$693,000,000, including fares and other expenditures on American and foreign carriers. Of this amount, it is estimated that \$483,000,000 was spent within foreign countries, 44 per cent in Canada and Mexico together and 44 per cent in Europe and the Mediterranean area. In the immediate pre-war years, however, the proportion spent in Europe and the Mediterranean area was considerably below that figure.

MARKET FOR CANADIAN WALLPAPER IN PERU

By W. G. STARK, *Commercial Secretary, Canadian Embassy at Lima*

(One Peruvian sol at present rate of exchange is equivalent to 17·1 cents Canadian; one kilo equals 2·2 pounds.)

In recent years Canadian wallpaper firms have participated to an increasing extent in Peruvian business in this line. This has resulted partly from the elimination of certain European nations—principally Germany and Belgium—as sources of supply, while shipments from France, Great Britain and Japan were at first curtailed and latterly ceased. Wallpaper is not manufactured in Peru, and the import figures recorded in the official trade returns are indicative of the demand for this commodity in the republic.

Import Statistics

The accompanying table shows imports of wallpaper into Peru for the years 1935 to 1944. It will be noted that these are for weight and value and that the statistics record the country of origin of the wallpaper. It is not possible to supply figures of quantities in rolls, as these are not recorded by the Customs authorities.

Imports of Wallpaper into Peru

	Kilos	Soles
1935—		
Germany	72,643	51,753
Belgium	59,035	60,802
Canada	10,560	14,094
Chile	1,207	1,111
United States	1,076	1,248
France	2,451	4,021
Great Britain	34,466	36,211
Italy	1	2
Japan	2,700	1,150
Total	184,139	170,392
1936—		
Germany	6,381	3,010
Belgium	4,233	3,692
France	1,971	3,082
Great Britain	12,595	14,673
Total	25,180	24,457
1937—		
Germany	49,625	38,564
Belgium	67,108	62,031
Canada	9,007	11,533
Chile	18	31
United States	2,912	3,669
France	3,490	4,577
Great Britain	17,307	18,639
Japan	3,363	2,194
Total	152,830	141,238

	Kilos	Soles
1938—		
Germany	18,788	18,748
Belgium	27,487	30,201
Canada	10,986	15,003
United States	92	855
France	12,834	15,862
Great Britain	14,141	16,256
Holland	1,962	1,554
Japan	17,361	11,629
Lithuania	2,255	3,155
Total	105,906	113,263
1939—		
Germany	12,837	13,791
Belgium	35,211	41,630
Canada	3,664	4,824
Chile	693	530
United States	1,958	6,342
France	17,850	28,217
Great Britain	9,955	11,032
Japan	13,669	13,724
Lithuania	1,112	1,426
Switzerland	70	334
Total	97,019	121,850
1940—		
Belgium	26,704	29,604
Canada	19,988	39,492
Chile	960	989
United States	14,276	30,598
Great Britain	32,706	43,201
Japan	3,911	6,319
Lithuania	1,305	2,114
Total	99,850	152,317
1941—		
Belgium	2,146	2,418
Canada	21,950	45,378
United States	64,566	133,894
France	2,007	3,058
Great Britain	18,376	28,450
Japan	4,313	7,215
Total	113,358	220,413
1942—		
Argentina	894	4,078
Bolivia	3	6
Canada	11,270	25,143
Chile	399	1,696
United States	27,877	93,486
Total	40,443	124,379
1943—		
Argentina	1,236	4,517
Canada	13,946	32,452
United States	6,677	28,571
Total	21,859	65,540
1944—		
Totals only	24,149	77,456

It will be noted that in quantity Germany was the chief source of supply in 1935, although imports from Belgium had the highest value. Belgium

was the largest shipper by weight and value in 1937, 1938 and 1939. Great Britain supplied the bulk of the imports in 1936 and was the most important supplier to Peru in 1940 by both quantity and value.

In 1941 and 1942 the United States obtained the main share, with Canada in second place, and in 1943 Canada moved into first place as a source of supply. Since 1941, imports of wallpaper into Peru have declined substantially, due partly to the difficulty in obtaining supplies and also to the trend toward painting walls instead of using wallpaper.

Import Duty

Effective December 18, 1941, the Peruvian tariff rates were advanced by 20 per cent, with certain exceptions covering foodstuffs and necessities. The rate on wallpaper was accordingly increased from \$0.45 per kilogram gross weight ($7\frac{1}{2}$ cents Canadian per 2.2 pounds) to \$0.54 per kilogram (approximately $9\frac{1}{4}$ cents Canadian). This rate applies to imports from non-treaty countries, such as Canada, but not to those from treaty countries, such as the United States and the United Kingdom, which continue to pay \$0.45 per kilogram.

In addition all imports are subject to various import taxes, which total approximately 15 to 25 per cent of the duties. A Peruvian dealer has estimated that, with additions to cover war surcharges, freights, and customs duties and surcharges, the cost of wallpaper delivered to his warehouse in Peru is approximately double the f.o.b. Canadian factory price.

Post-war Prospects

Canadian wallpaper firms are apparently able to meet the competition in most lines, although they do not usually offer the more ornate and flowery patterns which are more popular with owners of the lower than of the higher

priced houses. There is a growing tendency towards the use of paint on walls in place of wallpaper, particularly in the coastal zone, due both to the excessive heat in summer and the high percentage of humidity which prevails the year round. The strong light in Peru also causes paper to fade more quickly than in climates where the sun's rays are not so penetrating. It should be possible, however, for Canadian manufacturers to develop several special patterns for the South American trade which would be a little more flowery and also more resistant to strong summer light than is required for wallpaper sold in Canada.

European manufacturers offer eight strips of borders in one roll as compared with four strips per roll as do Canadian firms. In contrast the wallpaper manufacturers in Canada change their border and paper patterns more frequently, and this latter practice should be a good selling point for their lines.

A great deal will depend, of course, on the price at which Canadian wallpaper offers can be made and also on the style trend between painted and papered rooms. More and more new houses are being built in the Lima metropolitan area, which is the chief purchasing centre of the republic, and post-war prospects appear reasonably favourable provided the above factors are taken into account.

Dutch Guiana Road Construction

The sum of 320,000 florins has been allotted for road work in Surinam in 1945, according to a news report. During 1944, 225,000 florins were expended by the Department of Public Works. Highway work was confined to the improvement of existing roads, especially the road from Paramaribo to Zanderij Field which is being surfaced with bauxite. There are now some 211 miles of improved roads in Surinam.

ECONOMIC, TRADE AND PRODUCTION NOTES

Soviet Russia

NEW ELECTRIC STATIONS

Two new electric stations in the Urals began operations late in February, according to the Soviet press.

The Krasnogorsk Heat and Power Central is operating at full capacity of 250,000 kilowatts. Its capacity has been increased by the installation of seven new turbogenerators with a total capacity of 225,000 kilowatts, and 10 new boilers, each producing between 160 and 200 tons of steam an hour.

At the Middle-Urals Hydro-electric Station, installation of turbogenerators with a capacity of 50,000 kilowatts and two boilers, each producing from 160 to 200 tons of steam an hour, has brought the capacity up to 200,000 kilowatts.

Work will begin this year on two more electric stations in the Urals—the Lower-Turinsk Hydro-electric Plant, 100,000 kilowatts, and the 50,000-kilowatt Sverdlovsk Heat and Power Plant.

Brazil

COTTON CONSUMPTION, STATE OF SAO PAULO

According to a report in the *Foreign Commerce Weekly*, cotton consumption in the State of Sao Paulo increased to 80,707 metric tons in 1944 as compared with 79,361 in 1943, 74,058 in 1942, and 55,715 tons in 1941. Of the State's 84 cotton mills, 61 used only Sao Paulo cotton, 6 used only cotton from Northern Brazil, and 17 consumed cotton from both regions. At the close of December, 1944, Sao Paulo mills operated 1,034,485 spindles.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 113, effective May 15, 1945, blueberries, fresh or frozen, are exempted from the requirement of an export permit when shipped from Canada to any destination except as provided by Clause 5 of the Export Permit Regulations.

By Export Permit Branch Order No. 114, also effective May 15, 1945, the following changes are effected in the schedule of commodities under export control:

1. The exemption of "barrels, kegs, casks and other similar containers of wood" from export permit requirement is modified and limited to shipments thereof valued at \$100 or less when consigned to any part of the British Empire or the United States.

2. The export permit exemption on paper bags, in respect of shipments valued at \$100 or less, is cancelled, so that henceforth all shipments of paper bags will be subject to the requirement of an export permit when exported to any destination, except as otherwise provided.

United States

QUOTA ON CERTAIN FISH INCREASED

The United States Bureau of Customs announced on May 5 an increase in the tariff-rate quota for the calendar year 1945 on fresh or frozen cod, haddock, hake, pollock, cusk, and rosefish, filleted, skinned, boned, sliced or divided into portions and not otherwise specially provided for in the tariff. The Canada-United States Trade Agreement provides for a reduction in duty from $2\frac{1}{2}$ to $1\frac{7}{8}$ cents per pound on an annual quota of 15,000,000 pounds of such fish, with a proviso that, when the average apparent consumption in the United States during the three preceding calendar years exceeds 100,000,000 pounds, the quota may be increased by 15 per cent of the amount by which the average consumption exceeds this figure. In accordance with this proviso, the aforementioned quota which may be imported during the calendar year 1945 at the reduced rate of duty provided for in the trade agreement has been increased from 15,000,000 to 17,668,311 pounds.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 14, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, May 14, 1945, and for the week ending Monday, May 7, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 7	Nominal Quotations in Montreal Week ending May 14	Official Bank Rate
Great Britain	Pound	4.866			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2753	.2753	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0575	.0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3·4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6325	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.6024	.6024	—
South Africa	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, Director

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

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Newfoundland

J. C. BRITTON. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office.)

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucom.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

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Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

491

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TABLE OF CONTENTS

	Page
Country Programs for the British Empire	441
Australia's Postwar Policy for Secondary Industries	444
Advertising in South Africa	445
Ireland's Budget for 1945-46	453
Canada's Domestic Exports in April	454
United States Ceiling Price on Canadian Frozen Blueberries: A Correction	457
Mail Service to France, Netherlands and the Philippines	457
Trade Regulations and Tariff Changes: New Zealand: Some Adjustments in Import Licensing Schedule	458
Newfoundland: Tariff Modifications in the Budget	458
Exchange Conditions in Mexico, Guatemala, El Salvador, and Honduras	460
Imports into the United States of Products Under the Quota Provisions of the Trade Agreement	461
Foreign Exchange Quotations	462
Commercial Intelligence Service	463

COUNTRY PROGRAMS FOR THE BRITISH EMPIRE

With reference to the article on Wartime Export Planning, published in *Commercial Intelligence Journal* No. 2154 (May 12, 1945), the Department of Trade and Commerce has given detailed consideration to a number of specific country programs for various parts of the British Empire. The areas for which such programs have been approved are: Australia, New Zealand, South Africa, Southern Rhodesia, the British West Indies, and certain Crown colonies.

In all cases the programs were officially submitted by the country concerned and, after screening by the Department of Trade and Commerce, were cleared with the Wartime Prices and Trade Board and the Department of Munitions and Supply, and finally

passed by the Standing Committee of the External Trade Advisory Committee.

The program is actually a list of goods which, according to the best estimates available, Canada should be able to supply in a given period. However, the possibility of alterations in the supply position is always borne in mind and no binding commitment is implied. In most cases, final supply clearance must be undertaken before procurement is completed.

In the case of some commodities in short supply, specific quotas have been assigned to every import area, and these quotas have been incorporated into the country programs. These commodities include wood-pulp, paper, timber, motor vehicles and spares, textiles,

etc., and procurement procedure is already well understood by the importers concerned.

There are, however, many other items which should be brought to the attention of prospective shippers, and an attempt is made hereunder to give the salient features for each of the major units of the Empire.

Australia

An Australian program was approved for the year ending March 31, 1946. Procurement is being supervised by the Australian War Supplies Liaison, 440 Bank Street, Ottawa, who submitted the whole program to the Mutual Aid Board for decision as to which items are eligible for Mutual Aid. Any goods which may receive this type of assistance will then be secured through the Canadian Export Board or the Department of Munitions and Supply. Other items will be bought for cash by the Supplies Liaison Office or may be purchased by Australian importers in the usual commercial routine.

The goods which the Department has indicated as being procurable in Canada are as follows:—

Aluminium sheet, strip, extrusion, tubing, rods, bars, foil.

Asbestos.

Chemicals—

Acetylene black.

Alva record biscuit.

Cerium oxide.

Synthetic resins.

Calcium cyanide.

Calcium acetate.

Potassium chlorate.

Sodium chlorate.

Ferrous and Non-ferrous Metals—

Low-carbon ferro-chrome (1 per cent to 2 per cent carbon).

Copper bronze powder.

Carbon drill rod.

Mercury.

Low-carbon ferro-chrome, 0·1 carbon max.

Low-carbon ferro-manganese, 2 per cent max.

Parting tool steel: high-speed 18-4-1 or tungsten molybdenum substitute.

High-speed steel drill rod.

18-4-1 type high-speed steel or substitute tungsten molybdenum high-speed steel, rounds, squares, flats.

Rounds, hexagons and flats, stainless steel bars.

Parting tool steel, etc.—*Con.*

Ferro-cerium.

Tool bits 18-4-1 type of high-speed steel tungsten molybdenum substitute.

Silicon.

Furnace electrodes (carbon and graphite).

Mica.

Industrial Equipment—

Valves, bronze wheel.

Lamps, blow and brazing.

Dental lathe mechanisms.

Condensers suitable for standard motors.

11 k.v. fuse elements or links.

Valves, air-check.

Ejectors.

Controllers, peak load 415 v., 5 amp., 3-phase, 3-wire.

Injectors.

Cutouts, primary 2500 v.

Plugs for primary cutouts.

Burrs, grinder.

Paper-pulping stones.

Rivets, cadmium-pointed.

Feed rolls.

Insulated flexible cables and cords.

Dominion ball mill, 8' x 6', with gear box.

Parts for injectors.

Meters, demand.

Elements, type A.D. maximum demand ammeters.

Spare parts for fractional h.p. motors, split-phase and capacitor types.

Spare parts for Diesel marine engines.

Shuttles for weaving looms.

Wire cloth, phosphor bronze.

Knitting-machine needles.

Grinding wheels, miscellaneous types.

Welding electrodes.

Hammers, claw.

Cross-cut saws (6 ft. and 6 ft. 6 in.).

Adjustable round split dies (button type).

Horse rasps.

Pliers.

General Products—

Felt covers for leather-working and tanning machines.

Abrasive cloths, various.

Lamps (various), flashlight.

Lamps, kerosene and petrol (various) using incandescent mantels.

Stoves, petrol pressure.

Irons, petrol smoothing.

Spare parts for vacuum cleaners.

Fuses for electric ranges, types P.Y. 10, P.Y. 15, P.Y. 20.

Papermakers' wires.

Funnels, filtering.

Replacement parts for fire pumps.

Cash registers, electric.

Cash registers, non-electric.

Alarm clocks.

Illuminating carbons, all grades.

Abrasive papers, various.

Parts for stoves and lamps (kerosene and petrol).

Synthetic abrasive stones.

Hand shoe tacks.

Fountain pens.

General Products—*Con.*

Books.
 Lamps and lantern parts.
 Addressing-machine stencils.
 Match splints.
 Bismuth.
 Fractional and integral h.p. motors.
 Electric ranges and parts.
 Alarm clock parts.
 Clock springs.
 Wood shanks for boots and shoes.

Food—
 Vitamin A and D fish oil of standard potency 800A-100.
 Unrefined fish oil.
 Canned salmon.
 Dogfish liver oil.
 Viobin wheat germ oil, formula C.
 Fish meal for poultry feed.
 Meat meal or meat and bone meal for poultry feed.

New Zealand

Purchases are supervised by the New Zealand Supply Mission, Victoria Building, Ottawa. The approved program is submitted by the Mission to the Mutual Aid Board and goods eligible for assistance are bought through the Canadian Export Board or the Department of Munitions and Supply. The remaining items are either purchased by the Supply Mission for cash or are thrown open to ordinary commercial procurement. The commodities which have been indicated as probably available in Canada are as follows:—

Calcium carbide.
 Potassium chlorate, powdered.
 Acid sodium phytophosphate.
 Rosin size.
 Acetic acid.
 Acetylene black.
 Ammonium sulphate.
 Lead arsenate.
 Sodium chlorate.
 Salt, table.
 Sundry surgical lines.
 Anaesthetics.
 Prop. ethical preparations.
 Plaster, flaking.
 Patent and proprietary medicines.
 Atomizers.
 Atomizer bulbs.
 Lenses.
 Spectacle frames and parts.
 Sun glasses, moulded lenses.
 Spectacle cases, metal body.
 Tongue depressors, wood.
 Calf and kip whole skins.
 Infants' footwear, sizes 0-9.
 Asbestos fibre.

Hard fir casks.
 Oak casks.
 Lasts and related shaped products.
 Match splints.
 Paper cord (for mfg. prams).
 Paper towels.
 Carbon-coated paper.
 Paper record rolls for recording instruments.
 Copper cables and stranded wire.
 Aluminum wire.
 Insulated wires and cable, electrical flexible cord, copper.
 Stove wire, asbestos-covered.
 Insulated wire and cable, electrical n.e.s.
 Universal strain clamps.
 Insulators, pin type, over 22 kv.
 Insulators, switch and bus type.
 Post insulators.
 Lighting carbons, half-inch and over.
 Switchboards.
 Transformers, instrument and current.
 Electric relays.
 Fuses, high voltage.
 Plug fuses.
 Fuse links for high-voltage fuses.
 Electric switches.
 Wiring devices (for maintenance work).
 Electrical equipment n.e.s.
 Adaptors (Edison screw).
 Adaptors, thimble.
 Watt-hour meters and w.h. demand meters.
 Watt-hour meters and w.h. spares.
 Skis.
 Phonograph recordings.
 Aluminum powder (paint grade).
 Silico-spiegel.
 Ferro-silicon.
 Copper rods, bars, sheets, etc., and copper alloys.
 Aluminum alloys, bars and rod.
 Aluminum plates, sheets and strip.
 Aluminum powder, grain flake and granular.
 Nickel modes.
 Zinc block pig and slab.
 Malleable pipe fittings.
 Steel, carbon.
 Tool steels.
 Pipe, steel carbon.
 Tubing, steel carbon.
 Galvanized steel carbon.
 Light stapling wire, ungalvanized.
 Bobby pin wire.
 Apearian wires (tinned).
 Tacks, nails of special types.
 Beekeepers' appliances.
 Insulating compounds.
 Hardware.
 Automotive cable and wire.
 Flexible metal tubing.
 Springs (maintenance of rolling stock).
 Nuts, bolts, set screws, rivets, washers.
 Screws, metal thread.
 Wood screws.
 Deck or bridge spikes.
 Abrasive cloth and paper.
 Abrasive wheels.
 Internal combustion engines up to SHP.
 Pumps, centrifugal and reciprocal.
 Conveyors and parts.

Cranes, derricks, hoists and winches.	Metal zipp fasteners.
Blowers and fans.	Metal dome fasteners.
Power-transmission equipment.	Buttons, pearl and plastic for shirts, blouses and pyjamas.
Elevators and parts.	Buttons, plastic, men's trousers and coat.
Valves, steam pressure.	Rubber-heel nails.
Lubrication equipment.	Hungarian nails.
Electric motor and generator control equipment and accessories.	Heel-attaching nails.
Food machinery.	Conehead plugs.
Woollen-mill machinery.	Hand-toe stubs.
Knitting-mill machinery.	Wood shanks.
Pulp- and paper-mill machinery.	Wood last blocks.
Pulpstone.	Shoe tacks.
Tire-retreading machinery.	Wooden axe handles.
Woodworking machinery and parts.	Wooden tool handles—scythe snaths.
Oil-refining machinery and parts.	Film packs.
Glass- and stone-working machinery and parts.	Roll film.
Ceramics machinery and parts.	Tennis balls.
Metal-working machine tools.	Ammunition, .22 calibre.
Road-grader blades.	Electric motors generators.
Office-machine spares.	Spark plugs.
Accounting machines.	Electric stove and range parts.
Kerosene and gas pressure lamps and lanterns.	Poultry leg bands.
Lamps and lanterns, flat wick and spares.	Marine engines, Diesel.
Measuring instruments.	Stoves, oil and spares.
Water meters and parts.	Enamelware for hospital use.
Respiratory equipment.	Bowls (assorted sizes), enamel.
Fire extinguishers and spares.	Jars, enamel dressing.
Blow torches.	Bed pans (enamel).
Files and rasps.	Trays (instrument).
Knitting and sewing-machine needles.	Funnels (assorted), enamel.
Linseed oil, boiled.	Measures, enamel.
Sodium chloride (for use as a weedicide).	Urinals, enamel GX.
Oil. morrhuae.	Cornstarch.
Capsules, halibut liver oil.	Upper calf and hip, whole skins.
Oil. hypoglossi (halibut).	Fish nets and netting.
Vitamins, mixed capsules, etc.	Infants' footwear.
Electricians' high-tension rubber gloves.	Baseball equipment.
Metal fasteners—loops, rivets, slides and buckles for brace manufacture.	Automotive maintenance machinery.
	Enamelled holloware.
	Aluminium base shapes.

AUSTRALIA'S POST-WAR POLICY FOR SECONDARY INDUSTRIES

Mr. K. F. Noble, Canadian Trade Commissioner at Sydney, has forwarded the text of an address given by the Prime Minister of Australia, Mr. John Curtin, before the Secondary Industries Conference held at Canberra on February 5, 1945, outlining the Government's economic plans for the post-war years.

Australia's economic policy after the war, Mr. Curtin said, will be directed at maintaining employment at the highest possible level to ensure that all available resources are employed in ways contributing most effectively to raising standards of living, developing

productive capacity and making adequate provision for defence.

MAJOR POST-WAR PROBLEMS

Three major problems face Australia in the post-war years, namely: dispersal of the large war accumulation of purchasing power; provision of satisfactory housing conditions; and financing of the purchase abroad of important materials and equipment for industries and civilian consumption. These problems can be overcome only by retaining in modified form the machinery for controlling prices, for establishing priorities in the building industry and

for preventing unnecessary overseas expenditure.

CONVERSION OF GOVERNMENT-OWNED FACTORIES

In its rehabilitation program the Government proposes to retain complete control of those government-owned factories which are basic to the defence policy. When the need for munition production ceases, these factories will be converted to the manufacture of commercial goods. This policy will result in the expansion of the range of commodities manufactured in Australia. Production will supplement rather than compete with existing industry. The remainder of the government-owned factories and annexes will be made available for operation by private industry or for joint operation by the Government and private industry.

It is the intention of the Australian Government that manufacturers resume full peacetime production as soon as possible after the cessation of hostilities. In order to be prepared for this transition, the manufacturers are planning their post-war production at the present time with the assistance of the Government.

MARKETS FOR SECONDARY INDUSTRY

The main problem for secondary industries is the question of markets. Up to the present war, the main market for secondary industry has been the

protected domestic market. Markets after the war must be considered in relation to the urgent necessity for Australia to increase her export income. Export is vital to the economic life of Australia, and without it no raw materials or goods which are so necessary for the maintenance of industry and a proper standard of living could be purchased.

Mr. Curtin stressed that all consideration will be given to the development of external markets. Markets must be found, carefully studied, and every endeavour made to supply them at a price and quality that will be competitive. The industries are assured that the Government will assist them in every possible way, through lifting restrictions as soon as practical and by appointing trade representatives in various countries.

PROTECTION OF INDUSTRIES

The Australian Government intends to adhere to its policy of protecting industries which assist in the diversification of her economy and contribute to employment and to the raising of living standards in the Commonwealth. This policy will be followed, however, only within the framework of whatever contribution Australia may be called upon to make towards general international economic policies. To assist new industries and to expand existing ones, provided they are approved types, the Government proposes to provide long-term capital assistance.

ADVERTISING IN SOUTH AFRICA

By H. L. BROWN, *Canadian Trade Commissioner at Johannesburg*

With the advent of renewed international commercial activity in the next year or so, Canadian exporters will be interested in various phases of market development, and against that need this report gives the main outlines of advertising channels and procedure in South Africa with notes on Southern Rhodesia. It should be clearly understood that this brief survey deals only with the principal advertising media in this territory.

Newspaper Press Union of South Africa

Newspaper and magazine advertising in South Africa is controlled in large measure by the Newspaper Press Union, particularly in so far as member publications of the Union are concerned. Membership is primarily limited to newspapers, but weekly magazines printed and published by

newspaper members are governed by some of the rules laid down.

The aims of the N.P.U. are based upon two principles:—

1. Advertising is a public service, the success of which depends upon public confidence, and no practices should be permitted which would tend to impair public confidence.

2. The development of advertising depends upon the mutual co-operation of all engaged in the advertising business and no practices should be permitted which, by creating ill-will between those so engaged, tend to impair co-operation.

The constitutional objects of the N.P.U. are:—

1. To promote and facilitate the maintenance of fair and reasonable scales of advertisement charges among its members and prevent persons from using the press for advertising immoral or other matter which is against the public interest.

2. To establish the terms upon which advertising agents secure recognition by the N.P.U. and to make rules governing members and recognized advertising agents in respect of the placing and publication of advertisements, the settlement of accounts by advertising agents, and any other matters affecting members and advertising agents.

Members of the N.P.U. are debarred from paying commission "on advertisements from any person, firm or company in South Africa trading as an advertising agent, unless such person, firm or company is recognized and enrolled by the N.P.U. as a recognized advertising agent and is not under suspension from the benefits of recognition".

Rigid rules for the payment of commission on various classes or categories of advertising are in force. No commission is payable on local retail advertising issued for the sole benefit of an individual establishment or its branches dealing direct with the public on a retail basis, e.g. a general department store, or on government, legal,

sporting or theatrical advertising. When commission is payable, the rate is 15 per cent.

Recognized advertising agents are required to conform to the rules laid down by the N.P.U. for their control and are equally subject to regulations and by-laws affecting advertising generally as adopted by the N.P.U. from time to time. Among the more recent of these are regulations for display advertising, designed to prevent the use of solid block in advertising design, banning the use of solid reverse blocks (white on black background) and half-tone blocks of a screen finer than 55.

Last year the N.P.U. adopted and put into force a Code of Standards for advertisements for patent medicines. Based largely on the rules for advertising of the Proprietary Association of Great Britain and the standards adopted by the Newspaper Proprietors' Association in England, the code provides for modification of the text of advertisements, elimination of exaggerated claims or complete rejection of copy which does not conform to the requirements.

The following are overseas representatives of some prominent members of the Newspaper Press Union:—

Edwin Greenwood, Ltd., 231/232 Strand, London W.C. 2.

Argus South African Newspapers, Ltd., 85 Fleet Street, London, E.C. 4.

South African Morning Newspapers, Ltd., 24 Holborn, London E.C. 1.

Campbell C. Chester, 1 Hare Place, 47 Fleet Street, London E.C. 4.

Joshua B. Powers, 345 Madison Avenue, New York.

Koppe & Company, 630 Fifth Avenue, New York.

Advertising Agents

There are a fair number of advertising agents in South Africa. A list of those recognized by the Newspaper Press Union is sufficient indication of the services available. It is to be understood that this list does not represent any recommendation, and prospective advertisers should make their own inquiries as to the agency best suited to handle their particular problem.

The following advertising agencies are recognized by the Newspaper Press Union of South Africa:—

African-Adservice, Ltd., P.O. Box 3089, Cape Town.

P. N. Barrett Co. (Pty.) Ltd., P.O. Box 694, Cape Town. (Also in Johannesburg, Durban and Port Elizabeth.)

John B. Bruce & Co. (Pty.) Ltd., P.O. 664, Cape Town. (Also in Johannesburg and Durban.)

*Cape (Eastern Province) Advertising Contractors, Ltd., P.O. Box 53, Port Elizabeth. (Also in East London.)

Central News Agency, Ltd., P.O. Box 1033, Johannesburg. (Also in Cape Town and Durban.)

Dower, Wahl Advertising Co. (Pty.) Ltd., Manifest House, Simmonds Street, Johannesburg.

Bernard Hill (Pty.) Ltd., P.O. Box 1842, Cape Town. (Also in Johannesburg.)

Walter Kirby (Pty.) Ltd., P. O. Box 1061, Johannesburg.

Lintas, Ltd., P.O. Box 159, Durban. (Owned and controlled by Lever Bros. S.A. (Pty.) Ltd.)

Mercury Advertising (Pty.) Ltd., C.M.L. Building, Market Street, Port Elizabeth, C.P.

*Natal Advertising Contractors, Ltd., P.O. Box 1012, Durban, Natal.

E. Lindsay Smithers, P.O. Box 1604, Johannesburg. (Also in Cape Town and Durban.)

*South African Advertising Contractors, Ltd., P.O. Box 914, Cape Town.

Sperrin Palmer Co., P.O. Box 1403, Cape Town. (Also in Johannesburg.)

J. Walter Thompson Co. (Pty.) Ltd., P.O. Box 3193, Cape Town. (Also in Johannesburg and Durban.)

*Transvaal Advertising Contractors, Ltd., P.O. Box 7256, Johannesburg.

*Rho-Anglo Adservice, P.O. Box 151, Bulawayo, Southern Rhodesia.

*Rho-Anglo Adservice, P.O. Box 1142, Salisbury, Southern Rhodesia.

*These agencies are in the African Amalgamated Advertising Contractors, Ltd. group, whose head office is at Johannesburg.

Obviously South African advertising agents have experience in handling the problems of this particular market and Canadian exporters, especially those desiring to engage in a substantial program, would be well advised to bear this in mind. It does not necessarily follow that advertising procedure that is satisfactory in another market will be the most satisfactory in South Africa.

There are two principal methods by which advertising agents in South

Africa could co-operate with a Canadian advertising agent:—

1. The advertising agency in South Africa could either work in with the sales agents in this country or direct with the exporter in Canada, or

2. A number of the advertising agencies in this country would be prepared to tie up with the domestic advertising agency in Canada on a split-commission basis.

In the case of (2), if the advertisement copy is prepared in Canada and it is just a question of adaptation, the usual basis is a $7\frac{1}{2}$ per cent split. On the other hand, if the copy is prepared in South Africa and the usual services are rendered, the basis is usually 10 per cent to the South African agency and 5 per cent to the domestic advertising agency.

Newspapers in South Africa

A list of the leading newspapers should be used only as a guide and as a means of deciding the general outlines of any advertising program. Circulation figures are not made public in South Africa; it is considered that such figures in this country are not strictly comparable with those in other countries because each edition of each paper is believed to have a wider reading public than its actual circulation figures may indicate.

Because there are two languages, English and Afrikaans (a derivative from Dutch) and because newspapers and magazines are published in one or the other, and sometimes both, it is of interest to note the proportions of the population using either in the home as reflected in the 1936 census. In the urban areas, 53 per cent of the white population speak English and 41 per cent speak Afrikaans, but in the rural areas 84 per cent of the white population speak Afrikaans and 14 per cent speak English. In South Africa as a whole, 39 per cent of the white population speak English, 56 per cent speak Afrikaans, 2 $\frac{1}{2}$ per cent use both, and 2 $\frac{1}{2}$ per cent speak foreign languages in the home.

CAPE PROVINCE

The Cape of Good Hope Province, generally referred to as "Cape Province", had a population of 3,529,900 in 1936 and comprised 791,574 Europeans or white people, 2,045,570 natives, 682,248 coloured and 10,508 Asiatics. The density of population was 2·86 whites per square mile and 9·88 others, but the rural density was 1·05 and 7·86 respectively. Following are notes on the principal newspapers published

CAPE TOWN

Cape Argus: English daily (evening); also publishes a week-end edition.

Cape Times: English daily (morning); an authoritative newspaper, appealing to the responsible sections of the community.

Die Berger: Afrikaans daily (morning); also issues a country edition.

Die Suiderstem: Afrikaans daily (evening); also issues a country edition.

PORT ELIZABETH

Eastern Province Herald: English daily (morning); an old-established paper that covers the English-speaking section in Port Elizabeth and the surrounding districts, including the Eastern and Midland areas of the Cape Province.

Die Oosterlig: Afrikaans (bi-weekly), published on Mondays and Fridays; belongs to the same group as *Die Berger* at Cape Town and circulates in Port Elizabeth and surrounding districts.

Ons Land: Afrikaans (bi-weekly).

EAST LONDON

East London Daily Dispatch: English daily (morning); circulates in East London and the surrounding districts of Border and Transkei.

East London Weekly Standard: English weekly, circulating in East London and district.

KIMBERLEY

Diamond Fields Advertiser: English daily (morning) and the only paper published in Kimberley.

NATAL

In 1936 the population of Natal totalled 1,946,468, including 190,549 white, 1,553,629 native, 183,661 Asiatic, and 18,629 coloured. The density of population per square mile was 5·4 whites and 49·79 others, but the rural

density was 1·29 and 43·06 respectively. Following are notes on the leading newspapers:—

DURBAN

Natal Mercury: English daily (morning); well known throughout Natal and the surrounding territories.

The Daily News: English daily (evening); circulates throughout Natal and the surrounding districts. The week-end edition has a far larger circulation than that of the daily, due to the fact that there is no Sunday paper published in Natal.

PIETERMARITZBURG

Natal Witness: English daily (morning); the oldest daily newspaper in Natal.

TRANSVAAL

The population of the Transvaal in 1936 was 3,341,470, comprising 820,756 white, 2,444,380 native, 50,841 coloured, and 25,493 Asiatic. The density of population was 7·43 whites and 22·82 others, but the rural density was 2·33 and 16·22 respectively.

JOHANNESBURG

The Star: English daily (evening); one of the leading newspapers in South Africa, covering Johannesburg and the towns of the Witwatersrand (gold-mining area), as well as Pretoria and circulates throughout the Transvaal.

Rand Daily Mail: English daily (morning); also one of the leading newspapers in South Africa, circulating in Johannesburg and the Witwatersrand as well as in Pretoria and generally through Transvaal.

Die Vaderland: Afrikaans daily (evening); at present the only South African newspaper issued in the so-called tabloid form; circulates in Johannesburg, on the Witwatersrand, in the Northern Transvaal and to some extent in the Orange Free State.

Die Transvaler: Afrikaans daily (morning); publishes a special country edition.

Eendrag: Afrikaans weekly.

Sunday Times: English weekly (Sunday); the only newspaper in South Africa with what might be described as a truly semi-national circulation.

PRETORIA

Die Volkstem: Afrikaans daily (afternoon); the oldest Afrikaans paper in South Africa; issues a special country edition on Mondays and Fridays; circulates mainly in and around Pretoria (the administrative capital of the Union) and in the Eastern Transvaal.

ORANGE FREE STATE

The Free State, as it is commonly called, had a total population of 772,060 in 1936, including 200,978 white, 553,110 native, 17,943 coloured and 29 Asiatic. The density of population per square mile was 4.05 whites and 11.5 others, but the rural density was 2.23 and 9.38 respectively. Following are notes on the principal newspapers published in this area:—

BLOEMFONTEIN

The Friend: English daily (morning); the only English daily paper published in the Free State.

Die Volksblad: Afrikaans daily (evening); issues a country edition.

Die Vrystater: Afrikaans (weekly).

SOUTH WEST AFRICA

South West Africa had a population of 318,422 in 1936, comprising 30,677 white and 287,731 native, with no coloured and only 14 Asiatics. The density of the white population only was 0.1 per square mile.

The circulation of each of the following newspapers is small, but they are the only periodicals published in South West Africa.

WINDHOEK

Windhoek Advertiser: Printed in English and published twice a week.

Die Suidwes Afrikaner: An Afrikaans weekly.

Allgemeine Zeitung: German weekly.

Principal Southern Rhodesian Newspapers

To round out the above list the following information is supplied regarding the principal newspapers in Southern Rhodesia.

Southern Rhodesia had a population in 1936 of 1,303,775, comprising 55,408 white, 1,243,000 native, 2,180 Asiatic and 3,187 coloured. The density of the white population only was 0.37 per square mile.

SALISBURY

Rhodesia Herald: English (morning) daily; circulates in and around the district of Salisbury; issues a weekly edition.

The Sunday Mail: English weekly circulating in Salisbury and surrounding area.

BULAWAYO

Bulawayo Chronicle: English (morning) daily; circulates in Bulawayo and the surrounding districts; issues a weekly edition.

Sunday News: An English weekly circulating in Bulawayo and surrounding district.

Native Press

The 1936 census showed the native population as follows: South Africa, 6,596,689; South West Africa, 287,731; Basutoland, 559,273; Bechuanaland, 260,064; Swaziland, 153,270; Southern Rhodesia, 1,243,000.

The native press, that is newspapers for the native or black population, has grown considerably during recent years and has increasing value to advertisers particularly interested in the potentialities of the native market. Within his means the native is a good buyer and, as his standard of living improves, the importance of this particular section of the market for a large variety of goods is clear. With the large native population it will be obvious that, for the goods which sell to the native, this is the largest single section of the South African market. While the use of newspapers in selling to the native is limited in value by the relatively small circulation in comparison with the number of natives, many advertisers using the native press do so as a long-term policy in order to familiarize native readers with brand names, etc. Following are notes on the native newspapers published in this area:—

JOHANNESBURG

The Bantu World: Published weekly in English, Afrikaans, Sesuto, Sechuana, Zulu, Xosa; circulates throughout the Transvaal, Free State and Swaziland in particular but is a national medium.

Mphatlalatsane: Published weekly in English and Sesuto; circulates in Basutoland.

Naledi Ya Batswana: Published weekly in English and Sechuana; circulates in Bechuanaland.

Umteteli Wa Bantu: Published weekly in English, Xosa, Sesuto and Zulu, principally for the natives employed on the gold mines, but has a circulation throughout South Africa.

DURBAN

Ilanga Lase Natal: Weekly published in English and Zulu; circulates in Natal and Zululand.

MARIANHILL

Um-Afrika: Weekly published in English and Zulu; circulates in Natal and Zululand.

KINGWILLIAMSTOWN

Imvo Zabantsundu: Weekly published in English and Xosa; circulates in the Cape Province and Ciskei.

UMTATA

Umthanywa: Weekly published in English and Xosa; circulates in Transkei and East Griqualand.

SALISBURY

The Central African Weekly: Published weekly in English, Shona and Chinyanja; circulates in Northern Rhodesia, Nyasaland, and Mashonaland.

BULAWAYO

The Bantu Mirror: Published weekly in English, Ndebele, Zulu and Nyanja; circulates in Northern and Southern Rhodesia and Nyasaland.

Cape Coloured Press

In the Cape Province particularly there is a group of nearly 800,000 people of mixed origin, generally referred to as the Cape coloured. These people enjoy a standard of living which on the whole is considerably higher than that of the native, and a number of publications cater particularly to this section of the population.

The Sun: English weekly; published on Fridays and circulates in the Cape Province, particularly the Cape Peninsula.

The Cape Standard: English weekly.

National Media

In addition to the newspapers there are a number of periodicals which have national circulation, that is, throughout the Union of South Africa and even into Southern Rhodesia. Chief among these are the following:—

The Outspan: English weekly published at Bloemfontein, O.F.S.; is regarded as a national advertising medium.

Die Huisgenoot: Afrikaans weekly published at Cape Town; has a national circulation with particularly intensive coverage of the Cape Province.

Die Brandwag: Afrikaans weekly published at Johannesburg; is similar in appeal, size and make-up to the Outspan and Huisgenoot.

Naweek: Afrikaans weekly published at Cape Town; circulates throughout the Union, Rhodesia, and South West Africa.

The Union Review: This monthly, published at Johannesburg, has a highly specialized circulation among an influential class of readers, mainly men.

The Forum: English news review and commentary on current affairs; has a national circulation and is published at Johannesburg.

Arthur Barlow's Weekly: A critical review of the week's current and political events; has a national circulation and is published at Johannesburg.

Specialized Media

As a part of the group termed "national media" there is another group which may perhaps be best referred to as specialized advertising media, which includes those periodicals catering particularly to the requirements of women, farmers, commerce and industry, building, mining, the medical profession and religion. The following lists are not complete but are merely indicative:—

WOMEN AND HOME

Simpson's Women's Life: English monthly magazine with an appeal to women; published at Johannesburg.

Die Huisvrou: Afrikaans weekly, published at Cape Town; has a national circulation but is particularly strong in the Cape Province.

Femina: Bi-lingual monthly magazine, the only one of its kind published in South Africa; the official organ of the South African Women's Agricultural Union; has a national circulation, and is published at Cape Town.

South African Home Talk: English monthly magazine which appeals to the average housewife; has a national circulation, and is published at Cape Town.

Chat: English monthly magazine; has a national circulation and is published at Johannesburg.

Escom: An English monthly published by the Electricity Supply Commission and circulating nationally, with mainly an appeal to women.

FARMING

The Farmer's Weekly: English weekly, published at Bloemfontein; has a large national circulation among the farming community and is a leading farming paper.

Die Landbouweekblad: Afrikaans weekly, agricultural paper published at Bloemfontein; is the only Afrikaans agricultural paper.

The Citrus Grower: Bi-lingual monthly; official organ of the South African Co-operative Citrus Exchange, Ltd.

Primary Producer: Bi-lingual fortnightly, published at Cape Town; official organ of the Agricultural Co-operative Movement, circulating particularly among wool farmers.

COMMERCE AND INDUSTRY

South African Business Efficiency: English monthly journal, published at Cape Town; deals primarily with business and industrial subjects and is the only publication of its kind in the country.

South African Trader and Storekeepers' Journal: English monthly, published at Johannesburg; is the official organ of the South African Grocers' Association, deals with matters of interest to general storekeepers and is the only publication in this field.

The Buyer: English monthly trade journal, published at Cape Town, and devoted to the interests of textile, clothing, drapery, footwear and fashion trades; is the only journal catering entirely for the soft goods field and has a national circulation.

South African Industry and Trade: English monthly magazine, published at Cape Town, which is the official organ of the South African Federated Chamber of Industries.

Licensed Victuallers' Gazette: English fortnightly journal catering for the liquor trade in South Africa; has a national circulation and is published at Johannesburg.

Commercial Opinion: Bi-lingual monthly, published at Cape Town; the official organ of the Association of Chambers of Commerce of South Africa.

BUILDING

South African Builder: English monthly journal, published at Johannesburg, which caters for the building trade and is the official organ of the National Federation of Building Employers in South Africa.

MINING

The South African Mining and Engineering Journal: English weekly, published at Johannesburg, which is probably the principal organ of the South African mining industry.

The Mining and Industrial Magazine: English monthly, published at Johannesburg, and circulating to buyers, managers and secretaries of gold and base-metal mines throughout South Africa and the Rhodesias.

The Reef: English monthly published at Johannesburg by the Transvaal Chamber of Mines for circulation among mining staff and those interested in the mines.

The Rhodesian Mining Journal: English monthly, published in Johannesburg, and read in mining circles in South Africa and the Rhodesias.

MEDICAL

South African Medical Journal: English bimonthly, published at Cape Town; is the official organ of the Medical Association of South Africa.

South African Pharmaceutical Journal: English monthly trade journal, published at Johannesburg; is posted to every registered chemist and druggist in South Africa, South West Africa and the Rhodesias.

South African Dental Journal: English monthly, published at Port Elizabeth, and devoted to the interests and advancement of the dental profession.

South African Nursing Journal: English monthly, published at Cape Town; official organ of the Trained Nurses' Association of South Africa.

LABOUR

Forward: English weekly newspaper, published at Johannesburg; is an organ of labour opinion in South Africa, and its circulation is particularly concentrated in the Transvaal and on the Witwatersrand.

Labour Bulletin: Bi-lingual fortnightly and the official organ of the Labour Party; published at Johannesburg.

The Mineworker: Bi-lingual monthly; official organ of the Mineworkers' Union.

The Guardian: English Socialist weekly with Communistic tendencies, published in two editions at Cape Town.

Moving Picture Advertising

Relatively few of the moving picture houses in South Africa have continuous programs. Most of them have a matinee and an evening performance, with extra showings on Saturdays and holidays. There are consequently specific starting hours and interval periods, and these are used for the display of advertising. Each program usually commences with upwards of ten minutes of slides and short film advertisements (filmlets), and half or more of the ten-minute interval is similarly occupied.

Many advertisers favour this form of publicity as a part of national advertising campaigns, and cinema or moving picture advertising is an accepted medium throughout the country.

Slide advertising is available on contract for one, three, six and twelve months. The rates vary in accordance with the locality and seating capacity of the theatre and the period of the

contract. Slides are manufactured in South Africa.

Filmlets are sold on a circuit system on a minimum contract of twelve months. The circuit comprises seven theatres in an area, so that the film is shown for one week in seven at each house in that circuit. Filmlets are 60 and 120 feet in length and of approximately 40 and 80 seconds showing-time. All filmlet advertising at theatres controlled by African Consolidated Theatres Ltd. is handled by Filmlets (S.A.) Ltd., Johannesburg, and any advertising agency can accept business for filmlet advertising through this organization. Filmlet advertising at houses under the control of Twentieth Century Fox is handled by Alexander Films (S.A.) (Pty.) Ltd., Johannesburg. All filmlet productions for Filmlets (S.A.) Ltd. are made by African Films Productions, Ltd., Killarney, Johannesburg. Alexander Films (S.A.) (Pty.) Ltd. also have their own film studios.

Outdoor Advertising

Poster hoardings are situated in and around all the main cities and towns in the Union of South Africa, and space is sold on a flat-rate basis. It is necessary to allocate from five to six extra posters per site per annum to allow for changes due to weather conditions.

Three types of hoardings are used. While they all fit standard poster sizes, they vary considerably in over-all dimensions. For instance, the A.A. style allows a greater border of white space surrounding the poster and is framed with an ornamental heading which lends itself to attractive display. The modified A.A. has less border space, while the old-style site allows for hardly any break or border between the posters exhibited.

In Rhodesia, street hoardings are available in Bulawayo and Salisbury only; all are of the old-style type.

Advertising on Railway Premises

The South African Railways have a well-organized advertising section

handling advertisements mainly at the railway stations, of which there are about 1,060 on over 13,000 miles of roadbed. Facilities exist at the larger stations for the display of 16- and 48-sheet posters, for which the minimum tariff is £2 15s. per month for a space of 10 feet by 20 feet and £1 per month for space 10 feet by 6 feet 8 inches. Neon and lighted signs are also available, as well as Double Royal posters, enamelled plates and painted signs. In each case the railways sell only the space, the cost of the sign itself being for the account of the advertiser. At some stations, particularly Cape Town, display showcases are installed in the station concourse. The tariff ranges from £12 to £18 per year for each running foot of frontage. The Railways employ an advertising staff and are prepared to assist advertisers in arranging suitable material. The Double Royal posters and enamelled plate displays are the most commonly used.

As an indication of the publicity value, it may be mentioned that over 174 million journeys were made within the various suburban areas alone during the year ending March 31, 1944. This total includes 78 million third-class (mainly the native population) and nearly 44 million second-class. The number of first-class passenger journeys was slightly over 52 million.

Import Duties on Posters

The customs import duty on printed posters is 6d. per pound or 40 per cent ad valorem, whichever is the greater. The import duty on enamelled signs is 30 per cent ad valorem. (At present wartime restrictions preclude importation.)

Vehicular Advertising

Painted signs on trams and buses are used by a considerable number of national and local advertisers. With the exception of Johannesburg, municipal transport vehicles in principal towns throughout the country carry advertising. The rates and space sizes vary in accordance with the different makes and types of vehicles, the popu-

lation of the area and the period of the contract. Space is sold on contract for one and two years.

Direct Mail

Advertising by direct mail circulars is used to a fair extent. It is not always easy to obtain useful mailing lists, but some organizations have built up helpful lists divided into various categories, such as doctors, engineers, etc. The Post Office Department provides a "household" system whereby letters may be addressed to "The Occupier" in specified districts. Advertising by direct mail should be the subject of careful consideration.

Radio Advertising

Radio advertising is not permitted to be broadcast in South Africa, where all broadcasting is controlled by the State through the South African Broadcasting Corporation. However, facilities

are available in the neighbouring territory of Mozambique, and national advertisers broadcast through the Lourenco Marques station to South Africa, the Rhodesias and other nearby territories. This station is owned by the Radio Club of Mozambique, which has three transmitters. Time is sold for the purpose of sponsoring programs of entertainment, and the amount of advertising copy must not exceed 10 per cent of the time booked. Straight talks are not accepted.

The rates vary from £40 per broadcast of one hour for 52 or more broadcasts to £5 per 5-minute broadcast when there are 52 or more. Spot messages of 25 words cost £2 per broadcast if 52 or more are contracted for. These rates are for time only; talent, production and recording costs are extra. The services of the station announcers and recorded music from the station's library are available without extra cost.

IRELAND'S BUDGET FOR 1945-46

By G. SHERA, *Office of the Trade Commissioner at Dublin*

The Minister for Finance on May 2 presented the fourteenth budget since the Fianna Fail Government assumed power. Although it had been confidently anticipated that there was little likelihood of a further burden being placed on the already heavily taxed Irish citizen, much relief was felt when a practically "no change" budget was announced.

For 1945-46 the estimated outlay is put at £52,367,000, an increase of 58 per cent over 1938-39. As £718,000 is regarded as capital expenditure, to be defrayed by borrowing, £51,649,000 is chargeable against revenue. The total estimated income is £47,942,000, leaving a deficit of £3,707,000 to be met by borrowing.

Tax Revenue

Despite the two previous standstill budgets, tax revenue has continued to expand. Tax and non-tax revenue at an aggregate of £46,175,000 in 1944-

45 was £395,000 in excess of the budget estimate and £2,395,000 in excess of the previous year's yield. Expenditure, although high, was below the anticipated level, with the result that the 1944-45 deficit worked out at about one-half the expected figure.

Property and income tax (including surtax) at £12,517,000 exceeded the previous year by over one million pounds. For 1938-39 these duties gave £5,803,000, so that the direct taxpayer has increased his contribution by 116 per cent since pre-war days. Corporation profits tax returned £4,042,000 as against £3,781,000 the previous year. This yield has grown sevenfold since 1938-39.

Income from tobacco duty continues to soar, and now reaches the £9,500,000 figure. Receipts from the excise duty on beer advanced by £230,000 and on spirits by £199,000 in the previous year. Betting and entertainments duty between them produced £100,000 more

at £789,000. Estate duties and stamps also showed considerable expansion, while the post office receipts had advanced by £100,000.

In 1941 the rate of excise duty on matches was increased from 3s. 8d. to 8s. 4d. per gross boxes. A reduction of 2s. 1d. per gross has now been made. The change means a loss to the Exchequer of £58,000 in a full year.

Price Advance

It was disclosed by the Minister that the wholesale price index showed an increase at June, 1944, of approximately 98 per cent above the base

period of October, 1938. He stated that the large advance in prices left the State less free to proceed along lines of liberal expenditure than if the price increase had been more moderate.

An interdepartmental committee is at present examining the question of the possibility, continued the Minister, of Ireland aiding in the relief of the people in Europe, now in distress owing to the war. The committee was asked to make a report to the Government on the help that could be made available by this country and how foodstuffs and other materials could be provided for this purpose.

CANADA'S DOMESTIC EXPORTS IN APRIL

April exports of merchandise produced in Canada were valued at \$312,323,000 as compared with \$282,891,000 for the corresponding month of 1944, an advance of 10·4 per cent. The total included items intended mainly for war purposes to the value of \$147,369,000 as against \$119,030,000 in April, 1944. Among the war supplies sent abroad were tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies, and Canadian army stores. Merchandise exports during the first four months of the present year were valued at \$1,080,360,000 as compared with \$1,034,753,000 for the corresponding period of 1944, an increase of 4·4 per cent.

Commodity exports to countries of the British Empire were valued at \$157,326,000 as against \$126,827,000 for April of last year, an advance of 24 per cent, whereas the total destined for foreign countries recorded a minor reduction from \$156,064,000 to \$154,997,000. For the first four months of this year the value of merchandise exports to Empire countries was \$533,440,000 as compared with \$482,562,000 for the comparable period of 1944, an increase of 10·5 per cent, while the aggregate value of shipments to foreign countries totalled \$546,920,000 as against \$552,191,000, a decrease of one per cent.

Merchandise exports to the United Kingdom were valued at \$109,091,000 as compared with \$101,225,000 in April of last year, the total for the four months ended April amounting to \$368,574,000 as compared with \$384,583,000 a year ago. April exports to the United States were valued at \$109,121,000 as compared with \$120,273,000, and for the four-month period to \$388,686,000 as against \$394,630,000. Exports to British India in April were recorded at \$29,138,000 as compared with \$13,068,000, and in the four months ended April at \$101,171,000 as against \$39,656,000.

The values of commodity exports to other leading countries in April were as follows, totals for April, 1944, being shown within parentheses: Italy, \$14,731,000; (\$11,483,000); France, \$8,501,000 (nil); Russia, \$6,223,000 (\$7,118,000); Australia, \$5,761,000 (\$1,755,000); Egypt, \$4,411,000 (\$10,333,000); Newfoundland, \$3,017,000 (\$2,063,00); British South Africa, \$2,399,000 (\$2,285,00); Trinidad and Tobago, \$2,223,000 (\$1,076,000); Switzerland, \$1,549,000 (\$114,000); Jamaica, \$1,473,000 (\$1,135,000); Greece, \$1,389,000 (\$298,000); French Possessions, \$1,190,000 (\$1,588,000); Brazil, \$1,013,000 (\$319,000); New Zealand,

\$926,000 (\$166,000); British Guiana, \$854,000 (\$338,000).

Agricultural products were exported in April to the value of \$60,618,000 as compared with \$82,805,000 for the corresponding month of last year. The total value of wheat exported decreased to \$20,591,000 from \$46,150,000, and of wheat flour to \$9,225,000 from \$9,866,000. The value of animal products exported rose to \$34,798,000 from \$25,260,000, meats advancing to \$14,584,000 from \$13,886,000, eggs to \$7,249,000 from \$1,436,000, and fishery products to \$6,006,000 from \$4,223,000.

April exports of wood and paper products totalled \$37,018,000 as compared with \$31,435,000 in April of last year, newsprint paper exports amount-

ing to \$14,819,000 as compared with \$12,618,000, wood-pulp \$8,262,000 as compared with \$8,491,000, and planks and boards \$6,500,000 as compared with \$4,822,000. Motor vehicles and parts were exported to the value of \$43,688,000 as against \$37,145,000, chemicals \$12,685,000 as compared with \$6,897,000 and fibres and textiles \$7,401,000 as against \$4,439,000.

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of April and the three months ended April, 1944 and 1945:—

Exports by Principal Commodities

	Month of April		Four months ended April	
	1945	1944	1945	1944
	Thousands of Dollars			
Total domestic exports*	312,323	282,891	1,080,360	1,034,753
Agricultural products	60,618	82,805	161,296	212,675
Fruits	776	165	3,963	1,571
Vegetables	2,213	721	9,480	3,668
Grains	33,651	58,970	72,096	138,425
Barley	5,652	5,106	6,776	6,820
Wheat	20,591	46,150	49,433	117,948
Wheat flour	9,225	9,866	29,855	29,591
Alcoholic beverages	2,424	1,528	9,584	6,437
Seeds	3,278	4,221	9,285	7,229
Animal products	34,798	25,260	130,361	116,662
Cattle (except for stock)	602	444	1,525	1,369
Fishery products	6,006	4,223	20,219	18,313
Furs (chiefly raw)	1,945	2,465	11,037	13,310
Hides, raw	46	28	80	200
Leather, unmanufactured	388	219	1,245	1,021
Leather, manufactured	296	189	1,021	903
Meats	14,584	13,886	63,570	65,914
Butter	206	166	668	511
Cheese	506	546	4,105	4,741
Eggs	7,249	1,436	17,738	4,455
Fibres and textiles	7,401	4,439	25,056	15,076
Cotton and products	1,249	251	4,773	2,047
Flax and products	157	173	626	941
Wool and products	3,523	2,260	8,171	7,280
Artificial silk and products	1,312	487	3,479	2,007
Wood and paper	37,018	31,435	141,070	125,332
Planks and boards	6,500	4,822	26,992	22,016
Timber, square	22	35	212	165
Shingles	615	530	2,653	2,119
Pulpwood	891	964	5,103	5,703
Wood-pulp	8,262	8,491	32,646	29,818
Paper, newsprint	14,819	12,618	52,112	47,516
Iron and products	68,419	62,794	246,081	242,220
Pigs, ingots, etc.	1,738	515	6,197	4,750
Rolling-mill products	1,056	744	3,906	2,448
Tubes and pipes	225	108	1,018	776
Farm implements	1,795	1,127	5,832	4,626
Hardware and cutlery	407	227	1,280	1,025
Machinery, other than farm	1,917	1,542	7,911	5,833
Motor vehicles and parts	43,688	37,145	156,886	141,235

Exports by Principal Commodities—Con.

	Month of April		Four months ended April	
	1945	1944	1945	1944
	Thousands of Dollars			
Non-ferrous metals (excluding gold).....	36,426	23,576	142,050	102,728
Non-metallic minerals	4,785	3,989	17,574	17,413
Coal	452	303	1,790	1,673
Petroleum	179	96	1,792	902
Stone	1,288	1,618	4,724	6,418
Chemicals	12,685	6,897	44,298	31,340
Acids	342	197	1,027	648
Fertilizers	2,170	2,166	9,793	9,164
Soda compounds	537	165	2,100	1,502
Miscellaneous	50,171	41,696	172,573	171,306
Electric energy	606	529	2,040	2,464
Films	121	6	843	386

*April totals include exports of items mainly for war purposes, such as tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies and Canadian army stores, valued at \$147,369,000, in April, 1945, and \$119,030,000 in April, 1944. The percentage of war materials in other items cannot be ascertained.

Exports by Principal Countries

	Month of April		Four months ended April	
	1945	1944	1945	1944
	Thousands of Dollars			
All countries	312,323	282,891	1,080,360	1,034,753
Empire countries	157,326	126,827	533,440	482,562
British East Africa.....	91	210	1,193	1,450
British South Africa.....	2,399	2,285	9,877	7,653
Southern Rhodesia	138	49	664	307
British West Africa	135	381	438	1,169
Bermuda	211	175	952	1,054
British India	29,138	13,068	101,171	39,656
Ceylon	327	436	2,103	1,382
British Guiana	854	338	2,235	1,788
Barbados	374	247	951	1,033
Jamaica	1,473	1,135	4,730	3,711
Trinidad and Tobago	2,223	1,076	5,694	4,524
Other British West Indies.....	579	431	1,885	1,762
Newfoundland	3,017	2,063	11,307	9,892
Australia	5,761	1,755	11,654	12,936
Fiji	8	...	23	188
New Zealand	926	166	4,928	4,529
Palestine	121	80	677	280
Eire	286	1,219	2,348	3,232
United Kingdom	109,091	101,225	368,574	384,583
Foreign countries	154,997	156,064	546,920	552,191
United States	109,121	120,273	388,686	394,630
Argentina	484	430	1,542	1,419
Belgium	270	...	1,011	...
Belgian Congo	54	54	178	739
Brazil	1,013	319	2,801	1,591
Chile	191	145	612	298
China	1	1,143	23	7,805
Colombia	332	87	1,010	456
Cuba	363	186	1,507	1,185
Czechoslovakia	155	...	407	...
Egypt	4,411	10,333	17,483	39,562
France	8,501	...	21,196	...
French Possessions	1,190	1,588	5,262	9,208
Greece	1,389	298	3,035	2,645
Guatemala	27	29	97	123
Haiti	90	44	189	185
Iceland	162	199	1,029	887
Iraq	154	654	587	2,112
Italy	14,731	11,483	61,023	49,663
Mexico	606	455	2,467	1,951
Netherlands West Indies	74	20	223	85
Nicaragua	13	32	109	82
Panama	114	26	267	207
Persia	487	16	645	322
Peru	136	76	646	426

	Month of April		Twelve Months ended April	
	1944	1943	1944	1943
			Thousands of Dollars	Thousands of Dollars
Poland	467	....	1,809	....
Portugal	32	77	167	201
Portuguese Africa	78	6	617	118
Russia	6,223	7,118	19,860	24,422
San Domingo	70	53	204	157
Spain	145	....	545	....
Switzerland	1,549	114	5,076	2,744
Turkey	106	186	243	6,492
Hawaii	410	150	1,446	380
Puerto Rico	290	177	865	570
Uruguay	224	63	459	452
Venezuela	317	109	943	490
Yugoslavia	401	....	811	....

UNITED STATES CEILING PRICE ON CANADIAN FROZEN BLUEBERRIES: A CORRECTION

With reference to the report under the above title in *Commercial Intelligence Journal* No. 2153 (May 5, 1945), page 382, the import figures for 1943

given in the table should read: 2,631-922 pounds and \$459,515 instead of 13,153,423 pounds and \$2,354,784.

MAIL SERVICE TO FRANCE, NETHERLANDS AND THE PHILIPPINES

The Post Office Department has issued the following notices respecting mail services to France, Netherlands and Philippines.

the Netherlands Post Office until delivery is possible.

Registration is now available.

Philippines

Postal service on a restricted basis has been resumed to the liberated areas of the Islands of Leyte, Samar, Mindoro and Luzon.

Service is limited to letters and packages and to one per week from one sender in this country to one addressee in the Philippines, weighing up to 11 pounds. Packages must not exceed 18 inches in length, or 42 inches in length and girth combined.

Business letters will be restricted until further notice to those ascertaining facts and exchanging information.

Such items may be registered, but there is no air mail, money order or parcel post service available at present.

Postage rates in effect before postal service was suspended apply; viz., letters, 5 cents for the first ounce and 3 cents for each additional ounce; postcards, 3 cents each.

France

The mail service to France has been extended to include the Departments of Haute-Saône, Meurthe-et-Moselle, Moselle and Vosges. Limited civilian postal service, restricted to non-illustrated postcards and letters containing personal or family messages, weighing not more than one ounce, has been extended to Bas-Rhin, Haut-Rhin and the Territory of Belfort.

Netherlands

Mail service has been extended to most of the area south of the River Maas up to the German frontier, including the islands of Walcheren and North and South Beveland.

Correspondence for places where delivery is not possible will be held by

TRADE REGULATIONS AND TARIFF CHANGES

New Zealand

SOME ADJUSTMENTS IN IMPORT LICENSING SCHEDULE

Mr. C. B. Birkett, Acting Canadian Trade Commissioner in Auckland, advises that certain adjustments are to be made in the New Zealand import licensing schedule for 1945.

It has been decided that, inclusive of any licences already granted for such imports during 1945, licences may be granted for importation from Canada, the United States, and the United Kingdom of linoleum, whether hessian-backed or felt base, to the extent of 50 per cent of the value of imports of linoleum from all sources in 1938. Linoleum was previously listed "C" in the import licensing schedule, meaning that applications for licences were considered individually. If supplies are

available for export from Canada, the definite quota now laid down should permit of resumption of 50 per cent of the trade enjoyed by Canada in the normal year 1938.

It is also announced that licences to import maizena and cornflour from Canada and/or Australia may be granted to the extent of the amounts of licences for imports of similar goods from all sources in 1942. While Canada has been regularly shipping these commodities to New Zealand in varying amounts, she will now participate with Australia on a definite quota basis.

Other adjustments include the cessation of government importations of certain galvanized steel wire, steel spring wire, and tinmen's wire, for which it is stated that applications from regular importers to import from the United Kingdom will be considered.

Newfoundland

TARIFF MODIFICATIONS IN THE BUDGET

By J. C. BRITTON, *Canadian Trade Commissioner at St. John's*

The Commissioner for Finance for Newfoundland, in his Budget Speech delivered on April 27, announced substantial reductions in the rates of duty on machinery and spare parts and certain heavy materials used in construction and by local industries. In addition, for the benefit of consumers

throughout Newfoundland, the duties have been lowered on several miscellaneous items, including manufactures of metal, oil lamps and oil stoves, and furniture. Tariff changes of interest to Canadian exporters include the following:—

Tariff Item No.		New Rate Intermediate Tariff %	Former Rate Intermediate Tariff %	New Rate Preferential Tariff %	Former Rate Preferential Tariff %
302	Iron and mild steel, including galvanized iron and mild steel in bars, strips, sheets, plates and pieces, n.e.s.	ad val.	20	10	22
303	Iron and steel railway bars, or rails of any form, punched or not; railway fish-plates, including bolts for same, switches, frogs, crossings and intersections for railway; railway wheels and axles (complete)	ad val.	20	10	50
304(a)	Iron or steel bridges or parts thereof..	ad val.	10	10	40
304(b)	Columns, girders, shapes or sections, outside coverings for buildings, corrugated metal sheets, steel or metal laths, metal shingles and ceiling coverings; iron or steel structural work, including bolts and fasteners specially manufactured to fit same	ad val.	20	20	40
					40

Tariff Item No.		New Intermediate Tariff %	Rate Preferential Tariff %	Former Intermediate Tariff %	Rate Preferential Tariff %	
310	Tubes of wrought iron or steel, for boilers, including smoke-stacks, flues and corrugated tubes for marine boilers	ad val.	10	10	30	30
311	Boiler and ships' plates, when of a thickness of one-quarter of an inch or over.....	ad val.	10	10	20	20
313	Anchors, grapnels, coil chains not cut into lengths ready for use, coil chain links and chain shackles	ad val.	20	10	22	12
314	Wire rope and shackles for same.....	ad val.	10	10	22	22
316	Rivets, iron or steel nuts, washers, n.e.s.; bolts with or without threads, nut bolts	ad val.	30	30	60	60
320	Manufactures of galvanized iron and sheet steel, n.o.p.	ad val.	50	40	60	50
321	Steel commonly known as cast steel, including all special steels; shafting, rough or finished, turned, cold rolled, or polished, n.e.s.	ad val.	10	10	25	25
322	Bucket bottoms and bucket ears not galvanized, and steel wool	ad val.	20	10	22	12
323	Cabinet wares of iron, steel or other metals, for house, office or store.....	ad val.	50	40	60	50
331	Lead in bars or sheets.....	ad val.	10	10	30	30
334(b)	Manufactures wholly or mainly of aluminium, n.e.s.	ad val.	50	50	60	60
340	Manufactures of tin, n.e.s. and tinware, plain, japanned or lithographed	ad val.	50	40	60	50
342	Manufactures of metal, n.e.s.; iron or steel fittings of any description, n.e.s.....	ad val.	50	40	60	50
357(a)	Scales, balances, weighing beams and weights	ad val.	20	10	60	50
361	Patterns not of metal for use in metal working	ad val.	10	10	22	22
362(b)	Hollow-ware of aluminium	ad val.	40	30	60	50
365	Mariners' compasses and cards for same, patent logs and log lines, sextants and quadrants, brass binnacles and chronometers for ships' use	ad val.	10	10	35	35
366	Fog-horns	ad val.	20	10	45	35
368	Thermometers, barometers, clinometers, telescopes, binoculars	ad val.	50	50	60	60
375	Oil lamps, oil stoves, oil appliances, n.e.s., and parts therefor, and lamp wicks...ad val.		30	20	40	30
376	Safety helmets, safety lamps and belts therefor, gas masks and respirators and other safety equipment for use in mines and industrial plants, approved by the Board of Customs	ad val.	20	10	various	
381	Electric motors and generators, n.e.s., switchboards and accessories therefor, transformers and accessories therefor, condensers, capacitors, converters, oil circuit breakers, voltage and induction regulators, lightning arresters, auto starters and commutators, motor control apparatus, domestic lighting sets.....ad val.		20	10	40	30
384	Wireless telephone and telegraph apparatus for use on board ships and material for installing the same	ad val.	10	10	25	25
401	Hand and power machinery and duplicate parts thereof, n.e.s., such as drilling machines, fan blowers, portable forges, pumps, fire-extinguishers, turning lathes, fretsaw machines, scroll saw machines, and dating, ruling, paging and perforating machines, including pens for same, and machinery of a kind not manufactured in Newfoundland, n.e.s., and welding outfits	ad val.	20	10	45	35
402	Office and domestic machinery, n.e.s. and parts thereof	ad val.	40	30	45	35

Tariff Item No.		New Inter- mediate Tariff %	Rate Prefer- ential Tariff %	Former Inter- mediate Tariff %	Rate Prefer- ential Tariff %
403(b)	Machinery and parts therefor, such as wood-working and sawmill machinery, steam engines and turbines, gas engines, stationary engines (not marine), motor engines n.e.s., water-wheels and turbines, steam and hot-water boilers for power purposes, horse-power machines, hoisting engines n.e.s., concrete-mixers, rock-crushers, cranes and derricks, digging or dredging machines, and grips and buckets therefor ad val.	20	10	30	20
404	Railway rolling-stock, locomotives, track machines or speeders, locotenders, railway cars, tramcars, steam or power shovels, power tractors, and parts thereof ad val.	10	10	50	50
410	Machinery and parts of machinery, n.e.s. ad val.	20	20	50	50
431	Furniture and furniture parts of any material, showcases and parts thereof; house frames, fittings and joiners work, including hardwood veneer n.e.s., and mosaic wood flooring; coffins and caskets. All manufactures of wood, n.e.s. ad val.	50	50	65	65
499	Belting of leather, or other material for machinery, including laces or fasteners ad val.	20	10	35	25
M1064	Rubber bags, when imported by cold-storage companies to be used in the process of freezing fish ad val.	10	10	20	20

The rates of duty in the column headed "Preferential" are accorded to goods of United Kingdom origin. Imports from Canada and the United States are subject to the rates of duty set forth in the column headed "Intermediate".

The Commissioner of Finance also announced the removal of the war revenue tax of $7\frac{1}{2}$ per cent ad valorem on an extensive list of commodities including: kerosene and illuminating oils; iron and steel for railways and bridges;

boiler tubes; boiler and ships' plates; anchors, chains, etc.; wire rope and shackles; aluminium and other metals; scales and weighing machines; patterns for metal work; marine compasses, etc.; fog-horns; electrical generating machinery; wireless apparatus for ships; hand and power machinery; wood-working and other machinery; ready-made clothing, cotton and woollen piece-goods; woollen yarns, and footwear.

EXCHANGE CONDITIONS IN MEXICO, GUATEMALA, EL SALVADOR AND HONDURAS

By C. S. BISSETT, Canadian Trade Commissioner at Mexico City

In none of the first three countries listed above are there any official exchange restrictions in force at present that might affect the collection of bills drawn on importers therein by persons abroad. Foreign exchange is readily available to meet payments for shipments from Canada.

Honduras

Control of foreign exchange in Honduras is exercised by the Exchange Control Commission. There has been

no difficulty in recent months in obtaining foreign exchange, as it has been made readily available by the Commission within one to three days from the date of application, covering all transactions which are not subject to the freezing-control laws now in force.

The transactions for which it is not being made available are those by or in favour of enemy nationals, whether located in Honduras or in foreign countries, or by Honduran nationals whose names appear on any of the war trade lists.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to April 28, 1945:

	Unit	Total World Quota	Reduction in Duty from 1930 Tariff Act 6½ to 3½c per gal.	Used by Canada to April 28, 1945	
Whole milk	Gal.	3,000,000 per calendar year		9,520	....
Cream	Gal.	1,500,000 per calendar year	56½ to 28¾c. per gal.	285	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	15,000,000 per calendar year	2½ to 1½c. per lb.	12,001,876‡	80.0
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1944	75 to 37½c. per 100 lb.		Quota filled
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1944	75 to 60c. per 100 lb.		Quota filled
Red cedar shingles	Sq.	1,727,242	Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	535,083	30.9
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1944	50 to 35% ad val.	43,991†	43.9
Tails	Piece	5,000 beginning Dec. 1, 1944	50 to 35% ad val.	....	....

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

† Imports of foxes valued under \$250 each and whole furs and skins from countries other than Canada amounted to 572 for the period December 1, 1944, to April 28, 1945.

‡ This figure includes fish from other countries as well as Canada. The statement by the Treasury Department gives no indication of the proportion of these imports supplied by Canada.

The Treasury Department also reports that, for the twelve months beginning May 29, 1944, the following quantities of wheat and wheat flour entered, or were withdrawn from warehouse, for consumption under the import quotas established by the President's proclamation of May 28, 1941, as modified by proclamations of April 13, 1942, and April 29, 1943.

	Quotas	Imports			
		May 29, 1944, to Apr. 28, 1945		Wheat Flour	
		Wheat Flour and other Products Lb.	Wheat Flour and other Products Lb.	Wheat Flour and other Products Lb.	Wheat Flour and other Products Lb.
Cáñada		795,000	3,815,000	795,000	3,102,463
Other countries		5,000	185,000	Nil	Nil

SUBSCRIPTION RATES

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FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 21, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, May 21, 1945, and for the week ending Monday, May 14, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 14	Nominal Quotations in Montreal Week ending May 21	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2753	.3304 .2753	3½ —
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	— —
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½ —
Colombia	Peso	.9733	.6325	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6024	.7307 .6024	— —
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½ —

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

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South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom. (Until further notice, trade inquiries should be addressed to the Johannesburg office.)*

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London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

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London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

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TABLE OF CONTENTS

	Page
Costa Rica: An Outline of Trade Conditions	465
Newsprint Rationing in Australia.....	471
New Zealand Wage Adjustments....	472
Conditions in Ireland in 1944.....	473
Country Programs for the British Empire	477
Import Trade of Paraguay.....	479
Economic, Trade and Production Notes	480
Space Applications for Commercial Shipments Discontinued	484
Trade Regulations and Tariff Changes: Canada: Export Permit Regulations Amended	484
Foreign Exchange Quotations.....	485
Condensed List of Publications.....	486
Commercial Intelligence Service.....	487

COSTA RICA: AN OUTLINE OF TRADE CONDITIONS

By H. W. BRIGHTON, *Director, Export Section, Shipping Priorities Committee*

With the exception of Salvador, Costa Rica (which means literally "Rich Coast") is the smallest of the Central American republics, covering an area of only 23,000 square miles. It is bounded on the north by Nicaragua, on the south and southeast by the Republic of Panama, and east and west by the Caribbean Sea and the Pacific Ocean. Its greatest width, in the north, is 174 miles, and at its narrowest point, in the south, it is 74 miles wide.

The country is largely mountainous, but there is considerable fertile and productive land, especially one section, known as the "Meseta Central", the elevation of which ranges from 3,000 to 5,000 feet and contains some 3,500

square miles of rich agricultural land and two-thirds of the country's population. San José, the capital, is located in this section. The soil is of volcanic origin and is especially suitable for the production of coffee, fruits and vegetables.

Costa Rica's climate is tropical, but temperatures vary considerably because of the differences in altitude. The lowlands, along the Caribbean Sea and Pacific Ocean, are hot and humid and also have extremely fertile soil. Here some of the country's best bananas are produced. Between this region and the 3,000-foot level, the climate is tropical. The central plateau or "Meseta Central" has a temperate climate, while in

the highlands above 6,000 feet the temperature is sometimes decidedly cold.

Politically, Costa Rica is divided into seven provinces, with two-thirds of the population living in the central plateau provinces of San José, Cartago, Heredia and Alajuela. The provinces of Puntarenas and Guanacaste border the Pacific, while the province of Limón borders the Atlantic or Caribbean Sea.

Population and Language

The population of Costa Rica is approximately 687,000. San José, the capital, situated at an elevation of 3,800 feet, has a population of approximately 72,000. No other city or town has a population in excess of 10,000.

Most of the inhabitants are of European descent, the Spanish type being definitely marked. In the region of Port Limón there are a number of West Indians who were brought in to work on the banana plantations.

While the standard of living of the wealthy class is high, the purchasing power and wants of the great mass of the population are limited.

The language of the country is Spanish, but English is spoken freely

largely in the hands of small farmers, about 85,000 persons holding some 200,000 parcels of land. The exceptions are a comparatively few large coffee plantations and the foreign-owned banana plantations.

Coffee-growing is the principal industry, followed by banana cultivation. Other crops grown on a commercial basis are: cocoa, sugar, rice, corn, beans, tobacco and tropical fruits. There is some cattle raising. Rubber is produced in small quantities and the forests provide rosewood, cedar and mahogany. Gold and silver are mined in several districts on the Pacific slopes.

Foreign Trade

The value of the foreign trade of Costa Rica for the years 1933 to 1943, inclusive, is shown in Table I.

EXPORTS

Coffee is Costa Rica's leading export commodity. Bananas are regularly second in importance, followed by cocoa, gold bars and tuna fish. Table II shows the weight and value of exports of these commodities for 1938, 1939, 1941 and 1943.

TABLE I

Foreign Trade of Costa Rica, 1933-43

Year	Imports	Exports	Total Trade
1933.....	\$ 6,346,149	\$ 9,080,892	\$15,427,041
1934.....	8,720,382	8,696,151	17,416,533
1935.....	7,161,763	7,712,188	14,873,951
1936.....	8,397,135	8,309,256	16,706,391
1937.....	11,878,547	11,512,097	23,390,644
1938.....	12,620,721	10,145,614	22,766,335
1939.....	16,884,962	9,086,498	25,971,460
1940.....	16,840,423	7,483,907	24,324,330
1941.....	17,797,854	10,230,257	28,028,111
1942.....	12,287,381	10,576,997	22,864,378
1943.....	20,386,664	12,431,761	32,818,425

in the business community, especially in San José. Costa Ricans are proud of the fact that they have more teachers than soldiers—actually more schools than soldiers.

Agriculture and Natural Resources

Cost Rica is primarily an agricultural country with the fertile land

The United States is the leading customer for Costa Rica's products. In pre-war years the United Kingdom and Germany were customarily the next markets in importance, followed by Holland, France, Colombia, the Canal Zone, and Japan in varying order. During the war years, with the European and Japanese markets cut off,

TABLE II
Costa Rica's Principal Exports, 1938, 1939, 1941 and 1943

		1938	1939	1941	1943
Coffee	Kilos	24,981,132	20,244,531	21,504,002	24,214,463
	\$	4,938,053	4,644,301	4,994,537	7,997,249
Bananas	Kilos	124,949,177	83,262,337	109,663,652	54,120,940
	\$	2,806,547	1,911,084	3,458,821	2,123,562
Cocoa	Kilos	5,533,016	7,672,374	5,638,434	5,545,012
	\$	829,955	1,150,856	696,357	1,106,926
Gold bars	Kilos	1,295	910	952	508
	\$	554,393	464,149	464,474	200,703
Tuna fish	Kilos	3,363,967	3,393,300	937,811	450,673
	\$	453,787	413,441	147,920	73,078
Total exports	\$	10,145,614	9,086,498	10,230,257	12,431,761

Costa Rican exports to Canada, Colombia, Panama, the Canal Zone and Argentina showed sharp increases. Table III shows the value of exports by countries of destination in 1938, 1939, 1941 and 1943.

writers; oats; paper bags; lard compound; handkerchiefs; bottles, glass; yeast; malt; scientific instruments; matches; iron sheets; soap, toilet; soybean oil; wax tapers; paints, dry; cameras; office supplies; chinaware.

TABLE III

Exports by Countries of Destination, 1938, 1939, 1941 and 1943

		1938	1939	1941	1943
United States	\$	4,628,438	\$ 4,143,206	\$ 8,289,158	\$ 9,236,287
United Kingdom		2,476,564	1,539,628	78	478
Germany		1,944,666	2,279,263	.....	.....
Holland		208,403	61,533	101	.....
France		112,816	79,972	.....	.....
Italy		19,683	70,978	.....	.....
Canal Zone		134,686	62,261	39,563	1,101,162
Sweden		99,943	161,501	.....	.....
Colombia		110,080	211,763	157,111	451,198
Belgium		14,517	24,175	.....	.....
Panama		24,302	33,903	183,948	138,580
Canada		46,912	118,373	720,121	817,179
Japan		118,746	50,515	79,814	.....
Peru		63,163	44,859	55,600	8,835
Chile		14,920	35,284	33,029	.....
Argentina		5,669	7,443	333,799	5,615
Australia		22,075	19,816	9,995	.....
Guatemala		34,025	39,578	522	1,135
Czechoslovakia		29,977	.....	.....	.....
Mexico		56	8,741	7,183	416,121
Switzerland .....		.....	15,220	37,179	220,143
Total exports		10,145,614	9,086,498	10,230,257	12,431,761

IMPORTS

Table IV shows the values of imports into Costa Rica in 1938, 1939, 1941 and 1943, which had a value of \$50,000 or more in 1939, the items being arranged in order of their value in 1939.

For the year 1939 commodity imports ranging in amount from \$50,000 down to \$30,000, in order of value, were as follows: confectionery; hats, felt and wool; pumps; milk, condensed; drug store supplies; perfumes; type-

Additional commodity imports in 1939, valued from \$29,000 down to \$12,000, were: sugar; dynamite; cordage; shovels; caustic soda; leather manufactures; jewellery, imitation; toys; milk, evaporated; undershirts, cotton; bags, textile, other; refractory bricks; crystal ware; prepared foods; beer; electric light bulbs; lamps and parts; shoe polish; ties, men's; biscuits; fruits, dried; brushes; tooth paste; bedspreads; dyes and colours; shirts, cotton; buttons; asphalt; infants' food; fruits, canned; fodder.

TABLE IV

Costa Rica's Leading Imports, 1938, 1939, 1941 and 1943

	1938	1939	1941	1943
Railway materials	\$ 285,038	\$ 959,873	\$ 81,675	\$ 12,213
Pipe, galvanized	93,636	692,050	800,672	57,304
Cotton textiles, other	588,396	623,992	731,227	1,117,577
Flour, wheat	603,807	517,485	593,983	876,078
Gasoline	411,503	458,804	442,920	323,063
Industrial machinery	247,173	442,439	250,325	314,712
Agricultural machinery	32,712	397,015	258,200	50,109
Cement	186,767	353,330	488,858	510,943
Lumber	126,217	286,944	134,106	118,676
Lard	186,152	266,985	310,410	752,924
Iron, corrugated	207,558	266,134	76,711	142,811
Chemical products	201,168	252,221	326,976	568,766
Tractors	57,691	251,554	73,056	201,472
Tools, mechanics'	110,405	235,461	92,901	32,833
Leather, cut	189,380	226,648	294,916	421,281
Diesel oil	39,944	203,771	259,199	140,804
Steel, structural	81,862	203,374	139,775	71,768
Electrical materials	151,690	192,721	215,212	211,398
Railway cars and parts	145,643	182,118	195,261	23,221
Motor cars	247,812	180,249	194,169	10,755
Fertilizer	134,347	171,386	250,146	74,339
Tractors	175,552	162,457	146,722	57,469
Cotton, unbleached	145,230	161,824	167,538	201,413
Silk textiles	146,092	157,369	175,168	358,199
Iron, construction	111,871	151,441	212,168	86,086
Cotton, drill	137,929	150,887	201,911	494,717
Paper, newsprint	83,494	145,853	79,471	118,083
Petroleum, crude	180,161	142,817	205,550	186,554
Cotton chintz	136,441	142,007	121,516	349,952
Paraffin	116,607	132,058	166,335	64,973
Cigarettes	110,142	128,504	128,736	102,907
Pipe, iron	60,230	127,498	20,780	10,176
Stockings, cotton	106,445	123,333	122,560	154,210
Lubricating oil	74,500	109,332	147,160	153,406
Tools, n.o.p.	64,811	106,703	68,668	34,101
Cotton, ticking	119,320	103,795	84,598	169,860
Paints, prepared	70,967	99,838	106,020	82,280
Wearing apparel	74,593	98,200	302,790	224,019
Blankets, cotton and wool	88,987	97,593	115,457	100,315
Aeroplanes and accessories	86,957	97,579	75,075	132,917
Hardware	52,617	96,940	74,255	37,416
Haberdashery	89,473	94,418	128,380	131,051
Stockings, rayon	90,372	93,824	51,908	210,378
Engines, railway, and parts	85,698	88,715	15,749	.....
Radios	101,536	87,852	76,398	26,246
Nails	81,306	82,360	122,409	70,857
Cocoanut oil	70,914	81,606	85,146	23,229
Linen	79,318	81,366	44,466	152,039
Cattle, slaughter	37,288	79,560	50,910	144,135
Thread, cotton	73,336	78,362	98,023	301,250
Bags, jute	119,944	78,258	161,922	573,375
Disinfectants	29,333	77,286	425,366	25,526
Yarn, cotton	38,230	74,040	69,361	18,728
Wire, fencing	73,780	71,218	53,158	33,876
Construction materials	37,823	64,689	55,974	62,752
Paper, wrapping	91,173	64,332	129,382	227,580
Industrial materials	47,713	64,138	80,496	.....
Fish, canned	80,252	63,346	57,342	56,875
Injections, medicinal	52,218	61,680	84,221	191,666
Whisky	54,062	60,453	85,672	199,785
Watches and clocks	41,967	58,615	49,700	61,744
Tires, rubber	56,508	58,031	86,104	75,046
Rice	37,208	57,645	77,584	268,932
Fuel oil	35,820	56,620	64,367	40,548
Iron, domestic use	95,012	54,125	55,780	32,147
Fruits, fresh	38,748	53,144	77,513	12,328
Semolina	53,133	51,959	43,808	13,393
Machetes	59,590	51,866	36,873	59,025
Sewing machines	48,594	51,287	41,669	8,020
Milk, powder	12,405	50,266	91,832	150,499
Refrigerators, electrical	45,550	50,184	54,198	22,160
Wire, cable	20,892	50,037	52,829	15,177

Table V shows the imports into Costa Rica by countries for the years 1938, 1939, 1941 and 1943.

Other industries producing consumer goods include textiles, leather goods, soap, beer, and furniture. There are

TABLE V
Imports by Supplying Countries, 1938, 1939, 1941 and 1943

	1938	1939	1941	1943
United States	\$ 6,194,856	\$ 9,925,240	\$14,414,624	\$12,405,333
Germany	2,496,216	2,981,580	59,752	.....
Japan	781,687	856,616	367,733	96
United Kingdom	915,426	667,084	680,369	515,699
Italy	286,095	281,554	15,807	285
Nicaragua	73,704	119,998	102,803	751,000
Holland	172,849	192,655	274	.....
Belgium	218,381	120,979	.....	.....
France	164,983	220,083	7,727	586
Panama	125,332	35,183	3,397	37,828
Ceylon	58,820	28,906	2,452	883
India	34,080	41,857	77,352	340,869
Switzerland	60,337	67,667	58,854	90,052
Canada	53,954	104,013	239,321	188,129
Sweden	76,220	91,634	63,960	.....
Mexico	39,773	22,557	187,081	2,623,001
Spain	39,669	23,049	50,352	8,839
Czechoslovakia	37,289	.....	.....	.....
China	10,317	9,809	12,749	3,971
Norway	61,721	48,733	60	71
Chile	18,802	32,003	50,721	154,298
Peru	42,257	113,580	328,703	466,466
Denmark	37,905	29,144	.....	579
Colombia	37,285	12,890	38,882	89,712
Total imports	12,620,721	16,884,962	17,797,854	20,386,664

Trade with Canada

Tables VI and VII show respectively Canada's exports to and imports from Costa Rica for the years 1938, 1939, 1941 and 1943, according to Canadian trade returns. Apparent disparities between figures in these tables and Tables III and IV are the result of the re-export or import of commodities from the United States.

Domestic Production

Manufacturing has not reached a high stage of development in Costa Rica. The industries are mostly small enterprises catering to local requirements.

Tobacco processing and the distillation of spirits under government monopoly are important industries. There are numerous small boot and shoe factories. Production is largely by hand, and Costa Rican shoes are favourably regarded for their workmanship and quality. The industry is protected by a substantial tariff. Macaroni products are manufactured locally in sufficient quantity to meet

local demands. In 1937 a tuna fishing and freezing industry was established at Puntarenas.

about 200 coffee-processing establishments for the cleaning, drying and sorting of coffee and cacao, and a number of rice and sugar mills, together with about 100 small sawmills.

The monetary unit is the "colon", equal to U.S.\$0.175 at the present rate of exchange. Weights and measures are calculated on the metric system.

Trade Policy

Exchange control has been in force in Costa Rica since 1932. At one time imports were classified and exchange was made available according to the rating established for the different commodities. By a decree issued on August 8, 1942, equal treatment was given to all transactions. Registration of all orders sent abroad is required, however. Orders must be referred to the Junta de Control, who register the order and issue a serial registration number, and this registration number must be shown on all copies of the invoice.

TABLE VI
Canada's Exports to Costa Rica

	1938	1939	1941	1943
Total	\$ 99,248	\$ 145,526	\$ 289,877	\$ 174,161
Newsprint		36,887	40,862	22,921
Flour, wheat	26,851	28,289	27,856	42,946
Tires, rubber	11,196	12,987	10,488	139
Fertilizer	3,605	7,175	21,993	.....
Copper wire	1,928	6,676	25,039	.....
Electric apparatus	12,942	6,401	8,213	4,771
Fish, canned and preserved	6,675	5,995	11,780	.....
Socks and stockings, silk	6,351	4,945	5,369	.....
Leather, unmanufactured		4,431	46,398	11,277
Rubber manufactures, n.o.p.	2,846	4,064	14,844	176
Cartridges	590	2,790	3,473	.....
Brushes	2,035	2,608	3,510	112
Inorganic chemicals	3,272	2,426	10,027	1,524
Iron and steel products		2,084	6,815	.....
Fish, dried, salted	9,837	1,670	10,035	.....
Whisky	482	1,482	3,708	1,507
Patent leather	963	.....	.....	.....
Paper, n.o.p., incl. books .....		.....	15,314	16,013
Oatmeal and rolled oats .....		.....	9,329	11,177
Fibres and textiles, n.o.p. ....		.....	6,807	10,106
Vegetable fats, edible .....		.....	5,843	.....
Animal products, n.o.p. ....		.....	1,641	.....
Vegetable products, n.o.p. ....		.....	1,622	31
Wood and wood products .....		.....	266	.....

TABLE VII
Canada's Imports from Costa Rica

	1938	1939	1941	1943
Total	\$ 76,131	\$ 124,471	\$ 546,095	\$ 1,529,521
Coffee, green	69,301	88,830	390,094	1,163,212
Bananas	6,702	35,611	155,668	366,309

Costa Rica is a very democratic country and its people most hospitable and alert to the value of tourist traffic and foreign trade, and their regulations are interpreted to give the minimum amount of trouble to visitors. For commercial shipments no consular visa is necessary but commercial invoices in Spanish, in triplicate, and a bill of lading are required.

Credit terms and practices range from sight draft on presentation of documents up to 60 or 90 days. The time limit for protest is two days and the statute of limitations four years.

Under war-time conditions correspondence with Costa Rica should be conducted by airmail as surface mail is most uncertain and a letter from Canada takes weeks to reach its destination. The airmail rate is 15 cents per half ounce. Shipments to Costa Rica should be as light as possible but strong as duties are levied on gross weight. Most careful attention therefore should be paid to the customer's packing specifications.

In pre-war years Costa Rica was well served by steamship lines operating from United States ports to Port Limón on the Atlantic coast and Puntarenas on the Pacific, and it is reasonable to expect that such services will be re-established without delay as and when ships are once more available.

Two airway companies operate through Costa Rica. The Pan-American Airways operating from the United States and TACA (Transportes Aereos Centroamericanos) which operates in the Central American Republics.

Post-War Trade Prospects

Cost Rica offers a relatively small market, but there are many suppliers catering for the limited business offering. Exporters to Costa Rica are advised to arrange for exclusive agencies when establishing connections. The market is not large enough to warrant more than one agent being appointed, and if the right one is

established in the beginning and support is given him, it will prove more profitable in the long run than to attempt to sell the same article under different labels and through more than one agent.

To list the products which can be sold in Costa Rica would entail the enumeration of all imports. In general, it can be said that the demand is for consumer goods rather than industrial or capital goods, the principal demand being for foods, medicinal and pharmaceutical preparations, clothing and apparel, and construction materials.

Canadian merchandise is known in Costa Rica and the lines so far offered

by Canadian manufacturers have been well received. Other manufacturers not already represented should take advantage of this factor. There are a number of first-class agents who are interested in handling Canadian merchandise if it is offered to them. Canada enjoys most-favoured-nation tariff treatment with Costa Rica so that competition is on a straightforward basis.

Manufacturers who are interested in establishing trade connections with Costa Rica are invited to communicate with the Department of Trade and Commerce, Ottawa.

NEWSPRINT RATIONING IN AUSTRALIA

By K. F. NOBLE, *Acting Canadian Trade Commissioner at Sydney*

The Australian Minister for Trade and Customs has announced that, effective March 1, 1945, all daily, Sunday and weekly newspapers, whose present permissible usage of newsprint is less than 45 per cent of their respective base-year consumption (twelve months ended June 30, 1939) are to be granted increases in their quota allocations to bring them up to that percentage.

This arrangement is a departure from the basis on which newsprint rationing has been relaxed in the past. Until now increases in quota allocations have been calculated by adding an approved percentage to the base-quota allocations, that is, the allocations which operated during the quarter ended September 30, 1943.

Generally speaking, the smaller newspapers have not been affected by newsprint rationing and have had available 100 per cent, or thereabouts, of their respective base-year consumptions. Some other newspapers have reached a permissible usage of approximately 100 per cent of their base-year consumptions by means of the increases in allocations which have been granted since September, 1943. However, many of the larger newspapers, which were the most heavily rationed, have only

had available tonnages of newsprint representing less than 45 per cent of their base-year consumption. The present restoration is with a view to relieving the most heavily rationed newspapers.

No conditions apply to the use to which the extra tonnage is to be put except that space must be reserved for Commonwealth Government advertising on the existing basis.

No newspaper is permitted to use newsprint in excess of 100 per cent of its base-year consumption.

In addition to the above amendment, a special allocation will be granted—equal to 5 per cent of four-thirteenths of the quarterly allocation—to all newspapers for use for a period of four weeks dating from the official announcement of the capitulation of Germany to enable them to fully cover the news.

Whether or not the existing rate of consumption of newsprint in the production of daily, Sunday and weekly newspapers can be maintained will depend upon the supply position being kept satisfactory by expected shipments from overseas.

The current newsprint rationing year will end on June 30, 1945, and, in

accordance with the ruling in operation, any newsprint allocation or portion of it unused at that date will lapse, with the exception that replacements for any newsprint damaged in transit during

the quarter ending on that date and not used during the quarter might be used during the first quarter of the rationing year, commencing on July 1, 1945.

NEW ZEALAND WAGE ADJUSTMENTS

By C. B. BIRKETT, *Acting Trade Commissioner at Auckland*

The Arbitration Court of New Zealand has decided to increase the standard minimum rates of wages. In future they will be 3s. $0\frac{1}{2}$ d. an hour for skilled workers, 2s. $8\frac{1}{2}$ d. to 2s. 11d. for semi-skilled workers, and 2s. $7\frac{1}{2}$ d. for unskilled workers. These new levels compare with the previous rates of 2s. 9d., 2s. 5d. to 2s. 7d., and 2s. 4d. an hour respectively, laid down in 1937. They represent an all-round increase of $3\frac{1}{2}$ d. an hour and will be applicable on April 1, 1945.

The Court does not intend to make any pronouncement relating to standard rates for female workers or for juniors.

COST-OF-LIVING BONUSES

As mentioned, the first award was made in 1937, when the rates were fixed at the levels set forth above. Since that time there have been two cost-of-living bonuses applied. The first, in August, 1940, increased rates of remuneration by 5 per cent, making them approximately: for skilled workers, 2s. $10\frac{3}{4}$ d.; semi-skilled, 2s. $6\frac{1}{2}$ d. to 2s. 9d.; and unskilled, 2s. $5\frac{1}{2}$ d. The second cost-of-living bonus became effective in March, 1942. This amounted to a further 5 per cent for all male workers up to and including those on £5 a week, £2 10s. a week in the case of females, and £1 10s. in the case of workers under 21 years of age.

These two bonuses brought the rates for adult male workers on a 40-hour week to approximately the following: skilled, 3s. $0\frac{1}{4}$ d.; semi-skilled, 2s. 8d. to 2s. $10\frac{1}{2}$ d.; unskilled, 2s. $6\frac{3}{4}$ d. Thus the new standard rates, with the two cost-of-living bonuses added, make the

following approximate totals for adult male workers on a 40-hour week: skilled, 3s. $3\frac{3}{4}$ d.; semi-skilled, 2s. $11\frac{1}{2}$ d. to 3s. 2d.; unskilled, 2s. $10\frac{1}{4}$ d.

ANOMALIES CREATED BY DECISIONS

While an examination of the index numbers for weekly monetary wage rates (adult male workers) shows only a movement from 1254 at December 31, 1942, to 1270 at December 31, 1944—in other words an increase of 1·28 per cent—indicating that the relative position since the introduction of stabilization regulations of the great bulk of the workers whose wage rates are governed by awards cannot have altered appreciably, the decisions reached since the beginning of this year have created serious anomalies. These decisions have affected increases and rates of remuneration of several large groups of salary and wage earners, particularly in the service of the State.

A decision of outstanding importance was that to increase wage rates of railways, public service and post and telegraph employees. To these a general increase of $3\frac{1}{2}$ d. an hour was granted a month ago with the announcement that under the new powers to be given the Arbitration Court the wage of all public servants, including teachers, would be adjusted, and increases would operate as from June 30, 1944. The increases to the teachers have just been granted at this writing, retroactive to June 30, 1944.

The action now taken by the Arbitration Court was decided on after lengthy discussions with employers' and workers' representatives. It is deemed necessary, in order to correct the wage

structure, which has been thrown out of balance in that certain categories of workers (estimated as comprising a third of all workers) "have won for themselves a preferential wage position" owing to piecemeal wage adjustments in the past months and that, as a result, a new standard is required as a basis for future applications for wage adjustments. An amendment to the Stabilization Regulations was made to provide the Arbitration Court with the necessary powers.

INDICATION OF FUTURE POLICY

It is emphasized that the authority now given the Arbitration Court to increase wages is not in itself a general order to do so; it is purely an indication of the Court's future policy. Applications must still be submitted for consideration that are based on well defined grievances. The Court, which up until now has been limited in dealing with wages under the Stabilization Regulations, there being a general barrier against wage increases, is enabled

"to take into account the disparities which have arisen within the wage structure through some groups receiving increases while others have not received these . . . and so fix rates of remuneration as to restore or preserve a proper relationship with the rates of remuneration of other workers or classes of workers."

Under application made jointly by employer and employee, adjustments of wages for workers who do not come within the jurisdiction of the Arbitration Court will be made by the Wages Commissioners, who are now empowered to approve increases on the ground of removing disparities.

Close watch is to be kept on the effect the increase may have on the lot of the farmers and other primary industry workers as well as other workers whose rates of remuneration are fixed otherwise than by awards or industrial agreements. Steps will be taken where necessary to adjust any adverse conditions of employment or livelihood that may be created.

CONDITIONS IN IRELAND IN 1944

By E. L. McCOLL, Canadian Trade Commissioner at Dublin

During 1944 the Irish Government continued to be faced with those problems of supply, distribution, and employment which have inevitably resulted from present world conditions. Fuel and most of the necessities of life continued to be rationed, transport facilities curtailed, and the raw materials necessary to feed the industrial machine and provide employment could be imported only in small quantities.

The slight easing in the supply position abroad which was perceptible towards the end of the year offered an opportunity of which advantage could not be taken to any great extent on account of the acute shortage of shipping, which has been Ireland's greatest difficulty during the last five years.

Post-war Plans

The indications that the end of the war in Europe was approaching re-

sulted in attention being focussed, as in other countries, upon post-war planning. Individuals, business firms and government departments alike have been intent upon the study of conditions likely to arise at the close of hostilities.

The process of reorganizing Irish agriculture, founding new industries to employ those who had formerly been forced to seek a livelihood in the United Kingdom, the United States or some part of the Empire, and exploring the native resources of the country had been under way for only a few years when the war forced a halt to such measures. It is hoped that the end of hostilities will see the resumption of these various schemes at a more rapid pace, and with the benefit of the research which has been carried out during the interval. The interest in internal developments and external re-

lationships is reflected in the pressure being brought to bear recently on government ministers, both in the Dail and in the press, to publish details of plans for the future.

In the immediate future Ireland will be a creditor nation, having increased her sterling credit during the last few years to a sum of roughly £200,000,000. These resources are at present a frozen asset, and one of the factors hindering the publication of concrete post-war plans is the lack of knowledge as to when, and at what rate, this credit may become available for the purchase of the machinery, equipment and raw materials which are urgently needed to bring renewed activity to the industrial life of Ireland.

Social Services

As elsewhere there has been an increased demand in Ireland for improved social services. One response to this was the introduction of family allowances in 1944. These comprise a payment of 2s. 6d. per week per child.

Other measures under consideration by the Government include an improved education system, which would entail the building and equipping of a large number of new schools, and a reorganization of the public health services. Many new hospitals and sanatoria are required, and a number of existing premises are obsolescent and lack space, arrangements and apparatus for the use of modern methods. A determination to improve rural conditions will also entail the provision of libraries and public halls in many towns and villages which have hitherto lacked these amenities.

Housing

Housing has been more constantly the subject of public attention than any other individual question. The lack of well-built and reasonably comfortable dwellings in agricultural districts is undoubtedly a powerful deterrent to the "back to the land" movement. Individuals and public bodies alike are awaiting with im-

patience the moment when building can recommence.

In County Dublin alone £1,000,000 is to be expended on housing. The capital's need in this respect is very great, as many of the formerly handsome Georgian houses which have become tenements are without any modern conveniences and are also seriously overcrowded. The building, finishing, furnishing and equipping of thousands of new homes is counted upon to give employment to many of those who will return to their homeland when demobilized from the British forces or released from the war industries in which they have been engaged.

Some of Ireland's architects are in favour of the importation of prefabricated houses, but the attitude of the housing authorities has not yet been clarified. A certain prejudice against pre-fabrication exists in trade union circles, where there is fear that it would lower employment in the building trade.

Transport

The rail and bus transport of Ireland has recently been reorganized under a new system which, it is hoped, will facilitate the wide expansion visualized in the next few years. Dublin County has drawn up a £5,000,000 road plan, in which careful consideration has been given to the latest construction projects in Europe; the aim is to combine safe and rapid transport with attention to scenic beauty. It is intended to circle the city with a "ring" from which routes will radiate in every direction.

A coast road encircling the whole island is also in course of construction. This highway will traverse scenery comparable to the finest in Europe and is expected to be an important plank in the platform of the Irish Tourist Association. The opening up of rural districts by the provision of good highways suitable for bus and car traffic is also considered essential for agriculture, and would be calculated to stimulate the decentralization of industry, which is now urged by planning experts.

Drainage Schemes

A sum of £7,500,000 has been allocated for expenditure on arterial drainage, which is going to be dealt with on a comprehensive scale. The bill dealing with this matter, which has recently been issued, indicates that in future the construction of drainage works is to be a state charge, with the cost of maintenance placed on county funds. There are a number of rivers which, through lack of efficient control, regularly cause serious damage to crops and property.

Electrical Development

The Electricity Supply Board has already published a report which embraces the conglomerate parts of its scheme for supplying electric current to every part of the country. This undertaking, which has been dealt with in previous reports, is estimated to require at least a decade for its completion. Its effective achievement is, of course, dependent upon the importation of the necessary machinery, raw materials and fittings, which will be required on a large scale.

Agriculture

Government spokesmen constantly emphasize the pre-eminent importance to this country of agriculture, which has always provided Ireland's main exports. Efforts are being made to introduce and popularize modern methods of production, but these have been somewhat hampered in recent years by lack of machinery and up-to-date equipment.

Farming has hitherto often been regarded in Ireland more as a way of obtaining direct subsistence from the land than as an industrial process in which half the country's "occupied persons" are engaged, and which provides by its surplus the major part of the material from which the nation's income is derived.

The Department of Agriculture is conducting an active publicity campaign by wireless, local meetings, publications, and the press to increase the

quantity and improve the quality of agricultural products by the use of improved technical methods, operating the land at a higher level of fertility, and more efficient transport and marketing of the finished products. By the drainage schemes already drawn up, by scientific treatment of the different soils, and by up-to-date equipment, it is believed possible that the export surplus may be stepped up very considerably. The suggestion has been put forward for an advisory service which would forecast the trend of future requirements and allocate production quotas for commodities which are for sale off farms.

It is realized that, to compete with Holland, Denmark and other agricultural countries, Ireland must maintain the high qualities for which Irish agricultural exports have gained a reputation in the past and at the same time increase production and reduce costs. To effect this, an ample supply of agricultural machinery and high-grade tools will be in demand.

Industry

The tempo of Irish industry has been much retarded during the war years by a lack of raw materials. Many firms have been forced to alter their methods of production and to adapt their organization to new conditions dependent on substitute materials, second-grade fuel, reduced transport facilities, etc. It is hoped that the end of these difficulties is at hand, and that trade will soon again flow freely. In most cases output at normal levels is dependent on the import of raw materials, machinery and equipment.

The Government has encouraged the formulation of post-war plans, and a number of firms have already had detailed discussions of this matter with the Department of Industry and Commerce. By acquainting itself with the aims of these firms the Government hopes to be able to prepare estimates so that power requirements to fit factory developments may have their place on the priority list, to provide information

as to probable plant requirements, to estimate the necessary manpower, and to facilitate plans for the training of additional skilled workers. The Government's post-war plans, such as the rural electrification scheme, are counted on to create considerable industrial activity, as it is the intention to have a major part of the equipment manufactured in Ireland.

In order to cope with the unemployment which is expected when the cessation of the war releases the thousands of Irish people now engaged in war industries and serving in the British forces, plans have been prepared for public works of various kinds, mainly constructional. The Ministry of Industry and Commerce recently announced that the Government attached the utmost importance to the removal of every impediment, whether of policy, finance, or materials, to the rapid extension of industrial activity.

Shipping

In the past Ireland depended entirely on the merchant navies of Great Britain and other countries to bring the products of the world to her ports. Since 1939 the major problem facing the Minister for Supplies has been the difficulty of importing goods when British and other allied shipping was not available, and the solution was only found when the Irish Government succeeded in acquiring a few vessels of its own. It has been decided that Irish Shipping Ltd. (a body established by the Government in 1941 to control the shipping resources of the country) shall continue to exist after the war and shall endeavour to acquire and maintain a fleet of modern ocean-going vessels. Irish Shipping Ltd. has extended its activities to insurance, and foundations have been laid for the development of a marine insurance market in this country. It is intended also to provide dockyard facilities on an adequate scale as soon as equipment can be obtained. Scholarship schemes have been launched with the aim of ensuring a supply of efficient deck and engineering officers.

Tourist Industry

It is now generally recognized that Ireland's scenic attractions represent an important reserve of wealth which has so far not been fully drawn upon. Mountains and lakes, cliffs and rivers, the indented coast line and the Atlantic ocean combine to offer a unique variety of scenery. Except for hunting, racing, shooting and fishing facilities, there has hitherto been little effort to cultivate attractions calculated to encourage the tourist.

The Government has taken an initial step in organizing tourism on a national basis by the introduction of the Tourist Traffic Act. Preliminary work has already been done by the working out of scales of charges for the different types of hotel and boarding-house, the establishment of a minimum standard of accommodation, catering and service, and the registration of all hotels and boarding-houses which maintain these standards. It is intended that a licence shall be withheld or withdrawn from any establishment falling short of the minimum requirements. The act also visualizes a system of loans which would enable owners to carry out improvements and extensions to their premises.

The removal of restrictions on travel facilities and the establishment of the "week's holiday with pay" in all occupations is expected to promote the holiday habit among Irish people. It is expected also that the flow of tourists from Great Britain will reach a considerable volume when travel becomes possible.

The Irish Tourist Association has many schemes for the development of tourist attractions. In addition to the provision of more and better hotels, and the continued extension of highways, numerous resorts have made plans for improved bathing facilities, theatres or cinemas, golf courses, tennis courts, etc. In some cases the expense in connection with these improvements will be borne by a local improvement body, or it may be met from the funds which are to be used by the Government for the development of the tourist industry.

COUNTRY PROGRAMS FOR THE BRITISH EMPIRE

With reference to the article under this heading in *Commercial Intelligence Journal* No. 2156, following are outlines of programs for the Union of South Africa, Southern Rhodesia and a number of British Colonies.

Union of South Africa

The Union of South Africa has no Supply Mission in Canada. The approved program is forwarded to the Canadian Trade Commissioner in Johannesburg who, in turn, presents it to the South African Director General of Supplies. The South Africans then take such action as they may desire to distribute the allocations equitably. Essentiality certificates are then issued to the importers as required and are submitted to the Canadian exporters or their agents with the corresponding orders. Policy in the Union has been to interfere as little as possible with established trade connections and trade has tended to remain in its pre-war channels.

Products which have been indicated as being available from Canada are:—

- Aluminium sheets, rivets, ingots.
- Alloy bars.
- Nickel copper, nickel iron.
- Insect screening, steel.
- Bolts, nuts, etc.
- Welding equipment.
- Spare parts for cars, vans, trucks under 9,000 lb.
- Storage batteries, motor vehicle types.
- Bronze and gunmetal body control valves.
- Iron body control valves.
- Foundry supplies, being all moulders' accessories.
- Agricultural equipment and machinery of all kinds.
- Beekkeepers' supplies.
- Tool bits, other than tungsten carbide.
- Tungsten carbide tips (tool bits).
- Drills, twist, all types.
- Tool bits, high-speed steel.
- Screws.
- Machine tacks.
- Hand tacks.
- Machine rivets, steel.
- Hand rivets, steel.
- Cutlan rails.
- Heelpins and other heel nails.
- Axes.
- Scissors and shears, except surgical.
- Steel hand brushes.
- Hammers under 4 lb.

- Knives, cane, corn and hay.
- Drills, post.
- Portable hand forges.
- Bit braces.
- Soldering irons, electric.
- Soldering irons.
- Torches, blow gas, gasoline, kerosene.
- Sledges, 4 lb. and over.
- Hacksaw frames.
- Saws, hand, all types.
- Clamps.
- Mallets, all types.
- Files and rasps (woodworking and leather).
- Metal-cutting files and rasps.
- Pliers, all types insulated.
- Blades, hacksaw.
- Wrenches, adjustable pipe.
- Hatchets.
- Metal-working chisels.
- Drill sleeves.
- Vices, leg.
- Machinist ball plain hammers.
- Valves.
- Pine-type insulators, above 1,000 volts.
- Cleats, electrical porcelain products.
- Upper leather.
- Leather welting.
- Footwear, miscellaneous.
- Footwear, infants' leather.
- Calcium cyanide (crude).
- Coated abrasives.
- Gloves, surgeons' operating I.R.
- Finger stalls, surgeons' I.R.
- Gloves, post-mortem.
- Plaster of paris.
- Wooden shanks.
- Fountain pens.
- Flashlight lamps.
- Lamps, table, wall, etc.
- Lanterns.
- Typewriter and pencil carbon.
- Inked ribbons.
- Rulers, school 12-inch.
- Roll film, amateur.
- Water meters (all types and sizes).
- Spare parts for water-flow measuring apparatus.
- Tumblers, household.
- Pails and buckets, enamel.
- Clothes pegs.
- Stoves, oil.
- Women's and maids' rayon hosiery.
- Flour.
- Condensed milk.
- Powdered milk.
- Building Materials—
 - Plate glass, uncoloured.
 - Insect screening.
 - Wire and ribbon nickel alloy.
 - Building boards.

Building Materials—*Con.*

Enamelled steel sanitary ware.
 Ranges, electric.
 Hot plates.
 Water heaters (kettles).
 Electric irons.
 Porcelain, electrical.
 Paint and varnish brushes.
 Flashlight bulbs.
 Glass.
 Electrical wiring components.
 Medical Supplies—
 Belts, abdominal.
 Trusses, elastic.
 Trusses, spring (elastic).
 Trusses, scrotal.
 Trusses, French type.
 Trusses, umbilical.
 Parts for trusses: Waist band elastic, U-strap elastic, buckles, screws.
 Colotomy pouches.
 Colotomy pouches, spare parts and waist belts.
 Suspensories.
 Razor blades.
 Sun glasses.
 Acetic acid, glacial.
 Acid sodium propposphate.
 Activated charcoal.
 Red lead.
 Sodium chloride (table salt).
 Sulphite lye.
 Trichlorethylene.
 Zinc oxide.
 Naphthenates, cobalt.
 Naphthenates, lead.
 Naphthenates, manganese.
 Zinc stearate.
 Enamelware.
 Metal filament incandescent lamps.
 Flashlights and hand lanterns, battery-operated.
 Domestic laundry machinery components.
 Coated abrasives.
 Flour.
 Canned salmon.
 Vanillin.
 Beef essence.
 Canned pilchards.
 Ovaltine.

Southern Rhodesia

The procurement position is practically the same as in the case of the Union of South Africa. Certificates of essentiality come forward to Canadian manufacturers direct from their customers or agents in Southern Rhodesia. Although there is no Supply Mission in Canada, inquiries may be directed to Mr. B. F. Wright, representative in the U.S.A. for the Government of Southern Rhodesia, 907-15th St. N.W., Washington, D.C.

The products which Canada has indicated as being available are:—

Carbon steel fencing staples.
 Carbon steel wire mosquito gauze.
 Black piping.
 Steam piping.
 Galvanized piping.
 Mercury.
 Cyanide.
 Tools—
 Shovels and ballast forks.
 Picks.
 Blow torches.
 Pliers.
 Trowels.
 Chisels.
 Drills, breast.
 Drills, hand.
 Hand saws.
 Saw frames.
 Saw parts.
 Files.
 Rasps.
 Batteries, wet, car.
 Razor blades.
 Kerosene lanterns.
 Power pumps, centrifugal pumps and spare parts.
 Rubber heels and soles.
 Miscellaneous basic rubber materials (solution, patches, sole rubber, door lining, repair outfits, etc.). Rubber hose, air and water, up to 3-inch plain.
 Steam and other rubber hose.
 End products of rubber industries (teats, hot water bottles, smallware).
 Vinegar.
 Whole milk powder.
 Baby foods.
 Tomatoes, canned.
 Other vegetables, canned.
 Tomato juice.
 Pickles and relishes.
 Tomato ketchup.
 Sauces, various.
 Tomato soup.
 Other canned soups.
 Rolled oats and oatmeal.
 Macaroni, spaghetti, etc.
 Jelly powder.
 Pudding and custard powders.
 Prepared cereals (except corn or rice products).

British Colonies

Some of the British Crown Colonies have presented requests for Canadian products through the British Colonies Supply Mission. These have been examined and certain items have been reported as available in Canada. Inquiries regarding purchases under these programs should be made to the British Colonies Supply Mission, 908 G Street, N.W., Washington, D.C.

Kenya and Uganda

Pressure lamps and lanterns.
Shooks and battens for tea chests.
Alarm clocks.
Rubber.

Cook Island

Pressure stoves and lanterns.
Files.
Mosquito gauze.

Western Samoa

Cotton rags.
Lamps and lanterns.
Kerosene heating appliances.
Tacks.

Western Samoa—Con.

Nails.
Hand tools.
Rubber manufactures.
Tool handles.

Fiji Islands

Canned fish.
Glaziers' diamond points.
Canvas and rubber hose.
Air hose.
Zinc dust.
Fuse cord.
Whisky.
Fish nets and netting.

IMPORT TRADE OF PARAGUAY

By J. A. STRONG, *Commercial Attaché, Canadian Legation at Buenos Aires*

Paraguay is one of the smaller republics of South America. It is situated between Brazil, Bolivia and Argentina. Its area is approximately 160,000 square miles and the population was estimated at 954,848 in 1939.

The capital and only important commercial centre of Paraguay is Asunción, which has a population of 94,000. Asunción is on the Parana River, which is navigable for river steamers and flows through Argentina to give Paraguay an outlet to the sea 750 miles below Asunción at Buenos Aires on the Rio de la Plata.

Paraguay is situated within the tropical zone. The country is divided into two main regions. The eastern zone, which lies between the rivers Parana and Paraguay, has rather high land suitable for cattle raising and there is a cultivation of such crops as oranges, bananas, yerba maté, pineapples, cotton, sugar-cane, tobacco, rice and peanuts. The western zone is tropical jungle. The climate is from tropical in the lowlands to sub-tropical in the highlands.

The official language of Paraguay is Spanish, although a large proportion of the population is of native Indian descent and speaks Guarani rather than Spanish. The standard of living of the masses is low and the per capita demand for imported goods is small, being comprised largely of the cheaper qual-

ties of textiles and other cheap consumer goods.

There are close economic relationships between Paraguay and Argentina. The essential needs in imported foodstuffs, such as wheat and flour, potatoes and corn, come from Argentina. The domestic production is not sufficient to feed the population. In general the Argentine manufacturing industries also supply the needs of Paraguay and the greater part of the merchandise that is imported from other countries into Paraguay is sold through the wholesale merchant firms in Buenos Aires. Foodstuffs and textiles represent nearly two-thirds of all Paraguay's merchandise imports.

Exports and Industries

The cattle population of Paraguay is 3,506,000. The grazing land is in large individual holdings. Corned beef, hides and beef extract are exported. Quebracho extract, which is taken from the quebracho tree and used in the tanning industry, is another export item. The other export articles are yerba maté, certain native hardwoods, cotton fibre, leaf tobacco, oranges and some vegetable oils. The principal local manufacturing industries are flour milling, textiles, cotton ginning, distilleries, tanneries and cigarette factories.

Imports

Paraguay secures up to 50 per cent of its import needs from Argentina. Imports and exports are transhipped at Buenos Aires. A proportion of certain staple imported lines such as piece-

goods are sold direct to importers in Asunción and some of the important firms in Asunción buy most of their import requirements direct from abroad. Otherwise imports are purchased through firms in Buenos Aires.

Principal Imports into Paraguay

	1938 Figures in Canadian Dollars	1939	1940
Cotton textiles	1,287,000	1,183,000	1,385,000
Tinplate	147,000	137,000	543,000
Live cattle	320,000	516,000	490,000
Wheat flour	948,000	462,000	483,000
Wheat	235,000	227,000	432,000
Automotive products	268,000	347,000	396,000
Jute bags	198,000	205,000	317,000
Pharmaceutical products	125,000	148,000	145,000
Wool textiles	226,000	163,000	140,000
Silk textiles	160,000	116,000	119,000
Iron bars and sheets	101,000	115,000	98,000
Cotton thread	83,000	92,000	86,000
Portland cement	32,000	61,000	81,000
Radios and parts	71,000	50,000	67,000
Tires and tubes	46,000	45,000	58,000
Coffee	26,000	36,000	44,000
Iron pipes and tubes	29,000	46,000	37,000
All other	4,855,000	4,969,000	5,522,000
Total	9,157,000	8,918,000	10,443,000

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

WHEAT AND FLOUR SITUATION

The Canadian Trade Commissioner at Melbourne cabled on May 16, 1945, regarding the wheat and flour situation in Australia as follows:—

Australian wheat stocks at the end of April totalled 59 million bushels. Commitments for which buying in the remainder of the season are as follows: local flour requirements, 19,000,000 bushels; breakfast foods and sundries, 2,500,000; stockfeed, 20,500,000; flour for the forces, etc., 6,000,000; one month's reserve of flour in mills, 3,750,000; seed, 750,000 bushels. The remainder is wheat held in Western Australia for which transport is not available.

Although beneficial rains have fallen in many districts during May, the drought remains unbroken as much more rain is needed. If it comes in time it is hoped to sow a total of 11,500,000 acres.

Brazil

MANUFACTURER NEEDS MACHINERY

The principal producer of soft drinks in the Federal District is reported to be in the market for machines for expansion purposes, in addition to replacements for machinery now in use. Present equipment came from Germany and the United States.

Chile

CEMENT PRODUCTION AND CONSUMPTION

Production of cement by the only plant in operation, El Melón in La Calera, amounted to 327,581 metric tons in the 11-month period January to November, 1944, as compared with 374,747 metric tons during the full year 1943. Cement imports in this period amounted to 33,820 metric tons, the largest quantity imported in any year since 1930.

Since no cement is exported, consumption in the January to November

1944 period is calculated at 361,401 metric tons as compared with 384,054 metric tons during the complete year 1943. Present requirements are estimated at 565,300 metric tons a year.

The installation of new equipment at the El Melón plant at the end of last December is expected to increase production of cement by about 120,000 metric tons a year.

FIVE-YEAR PROJECT FOR HOUSES AND OFFICES

It is estimated that 300,000 houses are needed in Chile, particularly homes of medium price. According to news reports, the Caja Nacional de Empleados Pùblicos y Periodistas, a social security organization whose activities are concerned with public employees and journalists of the country, has become interested in such a project. Over a five-year period, the Caja Nacional plans to construct homes and office buildings valued at approximately \$9,484,000 (U.S. currency). Part of the necessary materials must be imported, as they are not manufactured domestically.

IRON AND STEEL PRODUCTION

Increased activity is reported in the production of finished articles from semi-finished iron and steel commodities imported from the United States. According to a report in *Foreign Commerce Weekly*, two galvanizing plants produce 6,000 short tons of galvanized sheets a year from black sheets, which is sufficient to meet domestic demands.

With a supply of less than one-half of the 180,000 tons of iron and steel commodities needed in 1944, items in short supply included nail wire, barbed wire, wire rope and cable, pipe and black sheets.

The new steel plant (Pacific Steel Co.) to be located on the San Vincente Bay near the cities of Talcahuano and Concepcion, about 300 miles south of Santiago, will cost an estimated U.S. \$48,000,000.

Colombia

SHORTAGE OF RAW MATERIALS

Because of the shortage of imported raw materials, three plastics factories in Barranquilla have operated at less than full capacity during the last three years. One of these, Industrias Resol, plans to convert to the distillation of spirits, it is reported.

BUILDING BOOM

According to a report in the *Foreign Commerce Weekly*, every important District of Colombia witnessed a building boom in 1944 which appears likely to continue in 1945. Private construction also reached a new peak. According to preliminary figures, the value of new construction during 1944 in the 13 principal cities amounted to 45,366,356 pesos, nearly half of which was initiated in Bogota and marked a 73 per cent increase over the 1943 value. Remodelling in that city was valued at 2,360,846 pesos.

Preliminary work was started in 1944 on several plants, including a hydro-electric plant at Tobia, a steel plant at Paz del Rio, and a soda-ash plant near Bogota. Increased activity is expected during 1945 in the construction of aqueducts since pipe will be available.

Ecuador

NEW WATER SYSTEM

The municipality of Guayaquil is considering bids which have been submitted for supplying a new water system for the city. The project contemplates bringing water from the Daule River, about 12 miles above the city.

France

INSECTICIDE AND FUNGICIDE SUPPLIES

The supply situation with regard to insecticides and fungicides, particularly the latter, is reported to be causing concern to agriculturists. Insecticides are regarded as of less over-all importance, although arsenic compounds

for the control of the potato beetle and nicotine sulphate for fruit trees are important.

Some sulphur is being obtained for fungicides, but there is a shortage of copper sulphate for the wine industry.

Gold Coast

PLAN TO DEVELOP COUNTRY

A town-and-country planning bill is scheduled to be introduced during this session of the Legislative Council, according to a report in the *Foreign Commerce Weekly*. The plan provides for the orderly development of land and towns, and may call for the reshaping of a town, providing it with finer roads, more trees and better houses. Land may be reserved for schools, houses and open areas, and the size and height of buildings may be regulated. A slum clearance program is also included in the bill.

Post-war rebuilding plans for Accra call for the creation of a government centre with the Legislative Council building as the focal point. Other government buildings will be around a centrally located plaza.

Mexico

ELECTRIC-LINE PROGRAM

To bring electric lines to every town with a population of 1,500 or more in a period of 10 years is the aim of a comprehensive program now receiving attention of officials, according to a foreign press report. At present more than 12,000,000 of the country's 20,000,000 inhabitants are reported to be beyond the limits of electricity.

New Zealand

NEED ADDITIONAL FERTILIZER SUPPLIES

Supplies of phosphate rock totalled 250,000 long tons in 1944-45, or about 80,000 tons more than in 1943-44. As pointed out in various reports during the last two or three years, agricultural production has been affected by the

shortage of fertilizers during the war years. It is hoped that the amount available will be further increased in 1945-46.

Nigeria

DEVELOPMENT PLANS

Plans for an extensive development program are being formulated by the various departments of the Nigerian Government, reports a foreign publication. The entire program for the country involves the expenditure of up to £40,000,000 over a period of several years. A grant of £6,598,000 under the Colonial Development and Welfare Act is included in the sum, of which £1,889,000 is earmarked for rural water supply projects, £539,500 for urban water supply projects, £681,500 for a building program and £162,000 for anti-malarial measures. These grants will cover only part of the cost and additional projects are yet to be planned in detail.

Peru

PROGRESS MADE IN CONSTRUCTION

Construction continued in relatively large volume during 1944. Several schools were completed, including the Aviation Reserve School, the National School for Physical Education, and the Lima Nurses' School. Work continued on the new military school at Chorillos and on the engineering school near Ancon.

Progress was made toward the completion of the Mantaro River irrigation works whereby 11,000 hectares of land will be irrigated by means of a 20-kilometer channel.

Dwellings for workers are now under construction in Lima and will provide for 1,000 workers, according to the report in the *Foreign Commerce Weekly*. Housing projects for workers have also been undertaken in Arequipa, Trujillo, Ica, Puno and Chimbote. At least eight office buildings are under construction in the Lima business district.

Panama

TO BUILD NATIONAL AIRPORT

The topographical studies undertaken by the Engineering Division of the Panama Canal have been completed for the new national airport, states the Panamanian press. The actual engineering plans, reportedly, are now being drawn, and the airport is expected to be completed by April or May, 1946.

South Africa

GLASS INDUSTRY IN THE UNION OF SOUTH AFRICA

The glass industry in South Africa is at present confined to the output of two plants, one at Pretoria and the other at Talana, Natal. These factories were established primarily to meet the bottle requirements of the wine and brewery trade, although designed and intended for the ultimate production of all types of bottles used commercially in the Union.

The Pretoria plant has greatly increased its output to meet the wartime demand. The latest available statistics are those for 1941 which show a daily production of 60,000 bottles of the types required by mineral water factories, druggists, dairies, and other bottle users. The works employed 300 persons in 1937, including both Europeans and native Africans. Its products are distributed throughout the Transvaal, the most important consuming section of the Union. The plant is modern and is situated near the steel works from which it is supplied with coal-gas for fuel.

The plant at Talana was built more recently and is equipped with modern automatic machinery. In addition to bottles of all types, output of which in 1944 was estimated at 54,000,000 units, this plant makes a few ash trays and advertising novelties. Only male labour is employed, the total number of employees as of December, 1944, being 600.

The product of the glass factories is delivered in bags, crates, and, in some instances, in corrugated paper cartons.

The curtailment of imports of glass products into South Africa, as a result of the war, has brought about the development of a wider range of glass containers which will doubtless continue as long as there is a shortage of overseas supplies. The most needed imports include the better types of bottles for the cosmetics and perfumery trade, for candy manufacturers, for producers of jam and preserved fruit, and for household canning needs. Other requirements are tumblers, table- and kitchenware, sundry household glassware, and industrial specialties.

Soviet Russia

FAR EAST METALLURGICAL PLANT

The Amur steel plant constructed under difficulties during the war at Komsomolsk on the Amur River has been turning out steel and rolled metal for two years, states the foreign press. Metal production by this first metallurgical plant in the Far East has been sufficient to supply the manufacturing plants of the area.

OUTPUT OF AUTOMOBILES

The Stalin automobile plant in Moscow produced about 70,000 cars in pre-war days or 35 per cent of the total Union output, says the Soviet press. In 1941, this plant was partially evacuated to four towns—Miass, Chelyabinsk, Ulyanovsk, and one in the South Urals. Each of the new enterprises has its own sharply defined type of production and its own line of development.

The plant in Moscow is producing automobiles in addition to armaments and munitions, and preparations are under way for the production of new models of passenger and freight automobiles. On July 8, 1944, the Miass factory began to produce ZIS-5 trucks made entirely in the Urals. This factory is a complete establishment, duplicating the Moscow plant. It produces most of the automobile parts, receiving only forgings and springs from Chelyabinsk and some parts from a town in the South Urals. Both plants

are near Miass and such co-operation is economically expedient. Thousands of cars reportedly have left the Ural-ZIS assembly line.

The Chelyabinsk plant and the South Urals plant have become specialized enterprises, supplying not only the automobile industry but also other branches of industry. A wheel shop, the second in the entire automobile industry in the Soviet Union, has been set up in Chelyabinsk. It was reported in December, 1944, that the Chelyabinsk plant soon would begin output of trailers and, later, gas-generating equipment.

In the Volga area, a factory for large-scale production of machines

consuming little fuel has been set up. A new automobile plant also is being equipped to manufacture large-capacity Diesel trucks.

The press states that, while there were two large automobile plants in the Soviet Union—Gorki and Moscow—before the war, it appears likely that after the war there will be four plants assembling automobiles—Gorki, Moscow, Miass and Ulyanovsk—in addition to a gas-generating plant at Chelyabinsk. It is assumed that the Ulyanovsk plant, which contains the chassis department and main conveyer line of the old Moscow plant, will have a capacity approximately equal to the Miass and Moscow plants.

SPACE APPLICATIONS FOR COMMERCIAL SHIPMENTS DISCONTINUED

The Shipping Priorities Committee has announced that, as from June 1, 1945, it will no longer be necessary for Canadian exporters to submit space application Form E.1 Revised for commercial shipments destined to Latin America, Middle East countries, French possessions in the South Pacific, African colonies, French Guiana, French West Indies, Liberia, Madagascar, Mozambique, Reunion, and the British

South Pacific islands, *except* in the case of newsprint to Latin American countries.

This requirement has been discontinued in view of the present availability of shipping space to the destinations named, to which the use of this form has been applicable. In the event of a change in the shipping situation, however, shipping controls may be reinstated.

TRADE REGULATIONS AND TARIFF CHANGES

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 115, effective May 25, 1945, Clause 6 of the Export Permit Regulations is amended, in respect of the items requiring an export permit for shipments valued at \$5 or less, by the addition thereto of poultry (live or dead) and meat (all kinds), when exported from the Customs Port of Windsor, Ontario.

By Order in Council P.C. 3633 of May 22, 1945, effective on and after June 1, 1945, the following commodities are added to Schedule One of Order in

Council P.C. 7674 of October 4, 1941, and exportation is prohibited except under permit issued by or on behalf of the Minister of Trade and Commerce:

Group 4—Wood, Wood Products and Paper
Doors, sash and millwork.
Houses, pre-fabricated or pre-cut.
Piling, Douglas fir and western hemlock.

By Export Permit Branch Order No. 116, also effective on and after June 1, 1945, doors, sash and millwork, and houses, pre-fabricated or pre-cut, are exempted from the requirement of an Export Permit when shipped to the United Kingdom.

SUBSCRIPTION RATES

The *Commercial Intelligence Journal* is published in English and French and is issued every Saturday by the Department of Trade and Commerce.

Subscription prices for either edition are: \$1 per annum in Canada, single copies 5 cents each; \$3.50 per annum outside Canada, single copies 10 cents each.

Subscription orders should be addressed to the King's Printer, Government Printing Bureau, Ottawa, and remittances may be made by post office or express orders, or by drafts or cheques, payable at par in Ottawa.

Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 28, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, May 28, 1945, and for the week ending Monday, May 21, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 21	Nominal Quotations in Montreal Week ending May 28	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2753	.3304 .2755	3½ —
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	— —
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3·4½ —
Colombia	Peso	.9733	.6325	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6024	.7307 .6024	— —
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½ —

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Commercial Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—
Census of Canada.

Statistical bulletins respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1945. (Price 25 cents.)

Canada Year Book. (Price \$2.) (Out of print.)

Trade of Canada, External: Annual Report, Calendar Year: Part I, Summary and Analyses; Part II, Exports; Part III, Imports.. (Price \$2 each part.)

Trade, Internal: Prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1.00 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). **Weekly** (Price \$1 per annum).

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address,*

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 32 Avenue Louise, Brussels.

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché, Canadian Embassy. Address for letters—Casilla 771 Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

J. L. MUTTER, Commercial Secretary, Canadian Legation. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

France

YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy, 62 rue du Faubourg Saint Honoré, Paris. *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo da la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

J. C. BRITTON. Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office.)

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucom.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

	Page
Contacts with Buyers from Overseas..	489
United Kingdom Trade and Technical Press	490
Food Export Programs for Newfound- land and the British West Indies...	491
Paper Situation in Ireland.....	492
Industrial Development of Australia: I. Pre-Federation Period	493
Trade of Barbados in 1943.....	498
Canada's External Trade in April....	503
Mail Services Abroad	506
Foreign Exchange Quotations.....	506
Commercial Intelligence Service.....	507

CONTACTS WITH BUYERS FROM OVERSEAS

By L. H. AUSMAN, *Assistant Trade Commissioner at New York*

The cessation of hostilities in Europe has stimulated to a considerable extent the interest of importers in overseas countries in obtaining supplies of all kinds from North America. Representatives of these firms are visiting the United States in increasing numbers as air and sea transportation becomes available. Many of the visitors are from Latin America, but buyers have recently been arriving from the West Indies, the United Kingdom, the British Dominions, and India, the Middle East, African colonies, and some European countries.

The Canadian Trade Commissioner at New York endeavours to establish contact with most of these overseas buyers with a view to encouraging them to include Canada in their itineraries. In many cases a definite interest is shown in Canadian sources of supply

of merchandise and equipment of all kinds. While it is readily appreciated that, for the time being, some items are in short supply or subject to export or import control, these businessmen are anxious to establish connections for the future.

It is believed that many Canadian firms would like to have the opportunity of discussing export trade with these overseas representatives. Every effort is made, through the Department of Trade and Commerce and the various trade associations in Canada, to establish suitable contacts between exporters and buyers. Frequently, however, the time available for a trip to Canada is limited, and an itinerary must be planned on short notice, which may result in insufficient notice to interested Canadian exporters.

To assist in making suitable recommendations to such visitors, it is suggested that Canadian firms desirous of meeting buyers from overseas countries communicate with the Canadian Government Trade Commissioner, 620 Fifth Avenue, New York 20, supplying the following information:—

1. Export markets in which you are interested.
2. Countries in which you are now represented.
3. Export commodities available now or expected to be available at a later date.
4. Do you have an office or can you meet visitors in such centres as Hamilton, Toronto, Ottawa, Montreal, or Quebec. Very often buyers who come to New York must restrict their itineraries to

this part of Canada, although, if time permits, they are urged to include other sections of the country.

5. Name of officer in your firm to whom visitors should be directed.

In addition to transient buyers, there are, of course, a number of export merchants located in New York who are interested in obtaining Canadian supplies for various overseas markets. These firms operate in a variety of ways, ranging from exclusive buying for a specific foreign client or country to general export brokerage in any commodity and for any market in which business opportunities are offered. Canadian firms wishing to make offers through such merchants or brokers should so indicate in their letters to the Canadian Trade Commissioner at New York.

UNITED KINGDOM TRADE AND TECHNICAL PRESS

By J. A. Langley, *Canadian Trade Commissioner at London*

The Council of the Trade and Technical Press of the United Kingdom, which represents more than two hundred trade and technical journals covering every branch of industry in the country, has published a memorandum setting out the difficulties with which publishers are contending, the urgent necessity for the removal of such difficulties and the manner in which this can be achieved. It is claimed that the technical and trade press is invaluable to industry in the achieving of maximum efficiency and in the gaining of world-wide recognition of such efficiency.

Functions in Export Trade

The Council points out that all technical journals of standing are carefully scrutinized abroad by those who require for the purpose of their trade and business the information contained both in the editorial and advertisement pages. To the reader abroad the journal mirrors the progress in the United

Kingdom of scientific research and development in production methods.

In addition, the trade journals bring United Kingdom consumer goods to the attention of distributors in other countries, so that they, in turn, may make them available to their customers. In such cases, with distributors widely separated both in time and space from their potential suppliers, the service rendered by trade journals is of particular value.

As regards export journals, whether technical or trade, these are published solely for export, with practically no circulation in the United Kingdom. The majority are printed, at least in part, in the language of the principal markets concerned, or contain supplements so printed. Publishers of such journals have spent a great amount of time and effort on the preparation of the best possible mailing lists for the subject matter in question and they are ready to distribute as soon as circumstances permit. Many maintain service

bureaux, which in normal times are constantly used by would-be purchasers of United Kingdom products and also provide valuable market information for United Kingdom exporters.

Publishers' Requirements

The Council enumerates a number of concessions which it seeks from the Government.

First is additional paper, of a quality which will stand comparison with that used, for example, by competitive journals abroad. At present publishers are unable to meet the demands of any new readers.

Second is the early release of skilled operatives and experienced technical and trade "key" men to supplement editorial staffs, which have been working under conditions of the greatest stringency. They will need in particular

to re-establish contacts with industries which have perforce been allowed to lapse to some extent.

Thirdly, high priority is claimed for the provision of new and up-to-date printing machinery.

Finally, the Council recommends the release of full information on the many new discoveries and inventions that British scientific research has evolved and British technical skill developed during the war. Such information should be given, where possible, for immediate publication.

It is stated that those conducting technical and trade journals are fully alive to their responsibilities. They are aware that old standards will not necessarily serve, and know that there is a great contribution which they can make towards restoring the United Kingdom's position in the economic structure of a world at peace.

FOOD EXPORT PROGRAMS FOR NEWFOUNDLAND AND THE BRITISH WEST INDIES

Newfoundland

The Newfoundland Food Program for the period April 1, 1945, to December 31, 1945, is an extension of the program which was in effect during the year ending March 31, 1945, with some revisions necessitated by the supply position with respect to certain commodities or revisions requested by Newfoundland. The program is a bilateral agreement with the United States and covers practically all food items, including live animals such as cattle, hogs, and sheep, as well as such non-food items as animal feeds and soap.

The procedure which is followed in administering the allocations under this program is that Newfoundland divides up each allocation among a list of approved importers of the commodities involved. Certificates of essentiality are then issued to these approved importers for the quantities which they have been allotted, and they forward these documents to their Canadian suppliers, who in turn submit them to

the Export Permit Branch with their applications for export permits.

A number of commodities are permitted export on an unrestricted basis and, while they require export permits, essentiality certificates are not necessary. These commodities are as follows: dehydrated soups; dry and prepared mustard; flavouring essences and food colouring (not containing sugar); macaroni, spaghetti and kindred products (not canned); yeast; prepared cereals (except rice products); vinegar; baking powder; cocoa powder; meat extracts; re-processed dehydrated apples; ginger; imitation spices.

In general, the program stipulates definite quantities for each commodity but, by agreement with the United States and Newfoundland, these quantities are considered as minima rather than maxima as was the case previously. Under this arrangement consideration may be given to increasing the allocation of any particular commodity on receipt of a request from

Newfoundland without consulting the United States authorities, which, of course, tends to make the program more flexible and is in line with the policy of relaxing and removing controls where such action is possible.

British West Indies, including Bermuda

Food programs were set up for each of the colonies of the British West Indies, including Bermuda, for the first half of the year, and programs are now being drawn up for the second half.

As in the case of Newfoundland, these programs cover practically all commodities, but there is a difference in that the quantities allocated are considered as maxima, and upward revision cannot be made unless authorized by the British West Indies Food Committee meeting in Washington. The exchange position and the necessity for controlling imports into the colonies are the reasons for this.

The British West Indies Food Committee consists of representatives from the British Colonies Supply Mission

(acting for the colonies), the Foreign Economic Administration and War Food Administration (United States), the British Food Mission, and the Department of Trade and Commerce (Canada). One of its functions is to screen the requirements of the colonies before they are submitted to the proposed supplying countries for necessary action.

Allocations from Canada are then set up in accordance with those screened requirements and the supply position of the various commodities requested. The allocations are administered in the same manner as those for Newfoundland, with the exception that import licences are issued by the colonial authorities instead of certificates of essentiality.

It should be mentioned that, while some commodities are on an unrestricted export basis, they are under import control, and therefore exporters should satisfy themselves that the importers have valid import licences, otherwise the goods may be subject to confiscation on arrival.

PAPER SITUATION IN IRELAND

By E. L. McCOLL, *Canadian Trade Commissioner at Dublin*

In pre-war years very little paper was manufactured in Ireland, the country's requirements being met largely by imports. Purchases were made almost exclusively through London agents. Great Britain, Germany, the Scandinavian countries, and the United States were all represented in this territory, many of the British agents maintaining local branches. The total value of paper and board imported into Ireland in 1938 amounted to £1,244,618. The comparative importance of the various sources of supply is indicated in the accompanying table, which shows the imports of paper, exclusive of newsprint, from each country in 1938.

Ireland's Imports of Paper, Other than Newsprint, in 1938

	Cwts.	£
Great Britain	406,696	585,850
Sweden	64,360	187,826
Germany	46,855	56,785
Finland	40,314	44,923
Northern Ireland ..	16,971	82,649
Norway	14,692	26,007
Canada	9,209	8,826
United States	1,551	6,147

Small lots of various types of paper were also purchased from Austria, Belgium, Czechoslovakia, France, Japan, and the Netherlands.

Post-War Prospects

The serious shortage of foreign currency with which to make purchases elsewhere than in the United Kingdom

has impressed upon the Government of Eire and industrialists the importance of balancing imports by increasing exports to the utmost. For this reason, and in order to provide employment in their homeland for the many thousands of Irish men and women who may be expected to return in the coming year from the British forces and from wartime jobs in England, it will undoubtedly be the policy of the Government to import, so far as possible, raw materials in preference to finished goods and to expand home production by every legitimate means.

Nevertheless, if the Government succeeds in continuing the rate of progress which this country had set herself in the industrial field before 1939 and implements the extensive plans which have been made during the past two years, the demand for all goods in this territory is likely to be at least as high as before the war. At the same time it can be confidently expected that there will be an increased demand for raw materials. As a source of supply Germany must be eliminated for the present, and other European nations which have been involved in the war are likely to require at least a brief

period before they can resume their places in export trade.

The Irish mills aim to increase their volume of output and range of products as soon as post-war conditions permit, with a view to eventually being able to meet the requirements of the home market in all types of paper except newsprint and certain types of board.

Owing to the scarcity of supplies, no duty is at present imposed on paper, but it is to be expected that the Government will assist the Irish factories by levying an impost on those types which it is found possible to manufacture locally. It is probable, for example, that the manufacture of kraft may be accorded tariff protection as soon as stocks return to normal.

It will be considerable time, of course, before the Irish manufacturer can hope to supply the requirements of the home market, and in the meantime the high favour in which Canadian paper products are held in this market and the goodwill engendered by the efforts of Canadian exporters to supply the basic needs of this country during the recent critical years should ensure for Canada the favourable consideration of Irish purchasers.

INDUSTRIAL DEVELOPMENT OF AUSTRALIA

I. PRE-FEDERATION PERIOD

This is the first part of a digest of an extensive review of Australian industrial development prepared by Frederick Palmer, former Canadian Trade Commissioner at Melbourne, shortly before his transfer to his present post of Commercial Counsellor, Canadian Embassy at Chungking, China. The remaining parts will appear in early issues.

Industrial development in Australia, as in so many other countries, has received great impetus from the present war, but the solid foundations of this development were laid in the peaceful and unspectacular years of Australia's early settlement. It was the essential soundness of the early development which made possible the intensification of industrial development during the war of 1914-18 and the present one.

Prior to 1914 the event of greatest significance in the history of Australia's industrial development probably was the federation in 1900 of the six

Australian states. Previously the states had existed as separate self-governing communities, with all the consequent opportunities for misunderstanding, rivalry and jealousy.

Many diverse factors determined the early nature and extent of manufacturing industries in the various Australian states, or colonies as they were called prior to Federation, but without easy or sufficient means of transport and communication, between the widely separated chief centres of population, industrial activity remained on the whole essentially provincial. Transport

of goods by sea between the various states always has predominated over rail transport, and that it continues to do so is due in no small measure to the fact that Australian railways, built in the days of separate colonies, are still of three different gauges.

Australian statistics reveal marked variations in the present-day disposition of factories and productive capacities in the six states. This is shown in the accompanying table giving figures of Australian industry in 1939-40.

Distribution of Australian Industry

	No. of Factories Per Cent	Value of Pro- duction Per Cent	No. of Em- ployees Per Cent
New South Wales.	34.8	43.4	40.3
Victoria	34	33.5	34.3
Queensland	11.2	9.5	9.3
South Australia...	8	6.3	7.7
W. Australia	8	4	4
Tasmania	4	2.3	2.5

The predominance of New South Wales and Victoria as manufacturing states is due largely to historical and geographical factors; historical, since settlement of Australia first took place along the more hospitable southeastern shores of the island continent, resulting naturally in a concentration of population and intensification of industrial effort in the territories which subsequently became known as New South Wales and Victoria; and geographical, on account of the location in those territories of natural resources such as coal, iron, other metals and minerals, timber, etc. Eastern Australia also receives the highest rainfall, while the climate in the southeastern latitudes is more equable, and therefore better suited to Anglo-Saxons, who predominated in the days of early settlement and who still predominate.

New South Wales

The State of New South Wales, the "mother" state of the Commonwealth, was proclaimed a colony in February, 1788, nearly thirty years after the capture of Quebec. The year 1800 saw the opening of the Hunter River coal mines and iron smelting took place

as early as 1847, although seventy years elapsed before Newcastle developed into Australia's pre-eminent iron and steel manufacturing centre.

Any mention of smelting in New South Wales would not be complete without reference to Broken Hill, although its location, 700 miles west of Sydney, linked its development with that of Port Pirie in South Australia, since by that route the distance to the sea was less than halved. At Broken Hill in 1885 "Charles Rasp, a boundary rider on a far-western New South Wales sheep-run, pegged out a portion of a barren ridge in a grazing paddock that was to become known as one of the greatest silver-lead deposits in the world". This deposit was developed by Messrs. Broken Hill Pty. Limited, whose acquisition of nearby iron ore deposits to provide flux for lead smelters subsequently led to a continuation of the company's activities as the foremost Australian producer of iron and steel, following the depletion of the silver-lead deposits.

The concentration of heavy industrial plants at Newcastle and other areas in New South Wales was due to the location of plentiful supplies of coal in those regions. The situation of these plants on the eastern seaboard was also a factor making for economical production of iron and steel.

Following the discovery in 1813 of a passage across the eastern coastal range of mountains to the rich pasture lands west and south of Sydney, the position of Australia as the world's premier producer of wool was established. The manufacture of woollens from locally-produced wool had, however, taken place under government control at an even earlier period than 1813. The first record in New South Wales dates back to 1801, when a few blankets were made by early settlers from wool produced in the colony.

Victoria

Until 1851 the State of Victoria was part of the colony of New South Wales. Seventeen years previously Tasmanians had crossed Bass Strait (separating

Tasmania from the mainland) and established a settlement on the future site of Melbourne. Although the settlers were regarded as trespassers by the Governments in Sydney and London, since land was no longer given away free, the new settlement was eventually recognized as legal. The important factor was that Port Phillip looked to Tasmania for government rather than to Sydney. This led to some ill-feeling in New South Wales and, largely as a result of the difficulty experienced in sending representatives to Sydney, agitation for separation began, and in 1851 Port Phillip was separated from New South Wales and became a colony under the name of Victoria. The new colony was granted self-government—a right extended about the same time to the other colonies or states with the exception of Western Australia.

In 1850 gold strikes were made in Victoria, and in the course of the next ten years the population increased more than sevenfold to 540,000, including 42,000 Chinese who were attracted to Australia in increasing numbers, primarily for work in the goldfields.

From the early days of the gold rushes, many newcomers had found work in providing the appurtenances required by a growing community. Construction of railways occupied others, and by the 1880's Victoria's attempts at closer settlement were generally successful. In the meantime, however, the value of gold found on the Victorian fields fell from an average of £479 per head in 1852 to £77 in 1856. Consequently diggers began to search for other employment and by the late 50's an acute unemployment problem had arisen. As a solution to this problem, the establishment of manufacturing industries under a protective tariff was proposed. This met with violent opposition from pastoralists with large estates and importing merchants, but eventually in 1866 Victoria became a "protectionist" colony. New South Wales clung to "free trade", while the other colonies adopted policies between the two.

Victoria developed a variety of secondary industries behind its tariff walls. New South Wales, without protection, also developed industrially, although with less variety. While the population of Victoria (area 87,884 sq. miles) less than doubled between 1866 and 1891, that of New South Wales (area 309,432 sq. miles) more than trebled. Consequently, the position of importance occupied in the Australian industrial sphere by the relatively small State of Victoria is generally attributed both to benefits derived from its early protectionist policy and to the early advantage in financial importance which gold gave to Melbourne.

Tasmania

The Napoleonic wars were directly responsible for the first settlement of Tasmania by British peoples in 1803. French exploration of the southern coasts of Australia and Van Diemen's Land (Tasmania) prompted the governor of New South Wales to establish a settlement there in order to circumvent any possible use of Tasmania by the French as a base for operations against the colony in New South Wales.

The production of wool, meat, dairy produce, grain and other agricultural products in the rich midlands section of the island became the chief mainstay of the settlers. By reason of its insularity, Tasmania did not receive the same stimulus from an influx of population and other factors which affected the mainland's progress. However, the discovery of tin at Mt. Bischoff in 1871, silver-lead at Mt. Zeehan in 1885, and gold and copper at Mt. Lyell in 1886 laid the foundations of Tasmania's subsequent important contribution to Australian industrial development. Other minerals discovered in commercial quantities include wolfram, molybdenum and zinc, while many of the rarer metals such as osmiridium and platinum have also been mined extensively.

Owing to its extremely mountainous nature, parts of southwestern Tasmania have never been explored, but the variety of minerals and metals already discovered encourage the belief that

further valuable deposits may exist in that area.

The development of the water power of Tasmania, perhaps the greatest factor in its industrial development, was first undertaken in 1909 by a syndicate formed to harness the waters of the Great Lake and develop sufficient power for the treatment of complex zinc ores. The work was well advanced by 1914, but financial troubles intervened and the Tasmanian Government took over the concession and completed the work in 1916. Total production of electric power in the year ended June 30, 1943, was 698,472,600 k.w.

Western Australia

The Napoleonic wars were also directly responsible for the first colonization of Western Australia at Albany, where a garrison had been sent in 1826 for the same reason as a garrison was sent to Tasmania. Two years later the first attempts were made to settle land in the Swan River area; but, in spite of the theorists who had attempted to make the colony a model one, at some stages the settlement came near to abandonment. The major portion of the territory, having a low rainfall, was unattractive to settlers who frequently proceeded to the more hospitable eastern colonies.

It was the stimulus of the gold discoveries in 1885 which laid the foundations of subsequent industrial development. The population of Western Australia in 1890, sixty years after the first settlements, was still under 50,000; by 1900 it had grown to 180,000. This sharp increase required a large expenditure of capital and effort to provide facilities and supplies as in the case of Victoria fifty years previously. Unlike that of Victoria, the gold-mining industry of Western Australia became firmly established, and no serious unemployment problem had subsequently to be faced.

By the time of the Federation of the Commonwealth, the eastern states possessed established industries capable of taking advantage of the new Commonwealth protective tariff and of inter-

state free trade. Some West Australian factories, being less well established, were unable to meet free competition from the eastern states and had to close down. Since those times industrialists of Western Australia have succeeded in establishing local industries designed primarily to utilize local materials and to meet demands peculiar to the state. In the minds of many West Australians, however, there was retained for many years a sense of exploitation by the eastern states, which resulted in Western Australia being the only state subsequently to consider seriously secession from the Commonwealth.

It was not until the completion of the transcontinental railway line in 1917 that the feeling of isolation in Western Australia began to disappear. Although travellers by air can now journey from Brisbane to Perth (2,706 air miles) inside of 24 hours, a train journey (3,600 miles) takes six days and a sea journey ten to twelve days.

The years following 1900 saw an improvement in the output, number of employees and number of factories in Western Australia, together with a great improvement in the quality of the goods produced.

South Australia

The history of South Australia, which was designed to be a "model" colony, dates from 1836. From the experience in the Swan River colony in Western Australia, the necessity for first surveying the country and locating a suitable site was recognized. In spite of this, settlers arrived before the surveys could be completed, and speculation arose, with the invariable disastrous results, but the colonists soon began to tackle local problems of supply and to establish factories, and South Australia had the honour of founding in 1869 the first Chamber of Manufactures in Australia.

Early attempts were made to establish sericulture, flax culture, production of dried and preserved fruits, beet sugar, wine-making, tobacco, olive oil, woollen mills and many other industries. Beyond establishing mulberry

trees in Australia, sericulture failed on account of the high cost of producing the silk. Wine-making progressed, and South Australia soon became the premier wine-producing state in the Commonwealth.

In 1889 at Port Pirie, South Australia, were established works for the smelting of silver-lead from Broken Hill, New South Wales. Until 1914 lead concentrates were shipped overseas for disposal, but with the outbreak of war in August of that year it became an urgent national necessity to devise ways and means of rendering the Broken Hill silver-lead industry immune from foreign domination and of supporting to the fullest extent possible the expressed policy of the Federal Government in regard to the future of the Australian base-metal industry. As a result, an amalgamation of interests in connection with the smelting of concentrates at Port Pirie took place in 1915, one of the conditions of the amalgamation being that the participating companies would enter into an agreement for the sale by an associated company of their output of lead concentrates for 50 years.

Although less isolated by distance from the eastern states than Western Australia, South Australia was for many years at a disadvantage as regards the establishment of manufacturing industries as compared with the eastern states, which were financially stronger and better endowed physically as centres of industrial activity. However, in the course of time many industries found it desirable to establish factories in South Australia. To-day it is practically the Australian home of such basic industries as automobile body-building and pipes and tubes.

South Australia possesses important deposits of iron ore, located $33\frac{1}{2}$ miles inland from the port of Whyalla, on the western shore of Spencer's Gulf. A blast furnace, the first of its kind off the eastern coast of Australia, was established there and brought into operation in May, 1941, three years from the commencement of construction, despite delays in the delivery of necessary plant and equipment owing

to the war. Shipbuilding is also established at Whyalla.

Queensland

Until Queensland was granted the right of self-government in 1859, exploitation of the rich resources of that state was hampered by a shortage of cheap labour. The demand for cheap labour increased in the second half of the century, when the growing of tropical and sub-tropical crops was begun, and there was introduced the importation of labour from the Pacific islands.

In 1875 gold was discovered in Queensland and people began to flock to the state. Chinese entered in even greater numbers, particularly after 1882, when the Chinese were excluded from the United States.

Queensland then adopted the policy of the southern colonies and imposed restrictions on Chinese immigrants. In the 1880's the then vague threat of the "Yellow Peril" began to receive credence. This fear, together with the real threat to the white labourer of the lowering of wage standards by the use of cheap coloured labour, led to the emergence of what is now known as "the white Australia Policy". This was essentially a policy affecting all the states, and, apart from the desire to maintain a high standard of living, was intended to preserve the civilization of this Pacific island-continent in the European mould.

Foundation of the Commonwealth

From these conditions arose the first signs of the forces which tended to bind closer together the various colonies of Australia in spite of earlier quarrels and deep-seated jealousies and disputes over such problems as tariffs and control of waterways, etc. The only solution was federation. After many difficulties and years of ceaseless effort, a federal constitution was devised that was acceptable in all the colonies. A Commonwealth Constitution was adopted, and the first federal ministry formed in 1900. The population of Australia at that time, after 112 years of colonization, was 3,772,801.

TRADE OF BARBADOS IN 1943

By G. A. NEWMAN, *Canadian Trade Commissioner at Port of Spain*

Barbados, being an agricultural colony whose whole economy is largely dependent on exports of sugar and its products and being obliged to import most of its requirements, was adversely affected by the intensive submarine campaign in 1942. When the shipping situation became easier in 1943, the accumulated exports and imports that were then moved resulted in the value of trade for that year being the highest for any year since 1920.

Pre-war exports between 1925 and 1938 averaged in value about £1,160,-252 per annum, and in the war years the highest value had been £1,885,944 for 1939. In 1943 the value of domestic exports rose to £2,098,089 as compared with the unusually low figure of £1,117,280 for 1942.

Similarly for imports, excluding bullion and coin, the 1943 value of £2,-888,349 exceeded that for any other year since 1920 and was higher by £866,178 than the £2,022,171 recorded for 1942.

Domestic Exports

There were heavy increases in 1943 in the exports of Barbados' three principal products, sugar, molasses and rum, as shown by the following comparative figures for the years 1943 and 1942, those for the latter year being within parentheses:—

Sugar.—Total, 115,902 tons, £1,498,093 (60,956 tons, £846,356); United Kingdom, 35,181 tons (41,505 tons); British North America, 74,982 tons (7,504 tons).

Molasses.—Total, 4,363,548 gal., £358,482 (1,648,401 gal., £147,750); British North America, 4,130,665 gal. (1,364,439 gal.); United States, 165,247 gal. (279,668 gal.).

Rum.—Total 984,825 gal., £168,241 (585,962 gal., £68,362); United Kingdom, 617,218 gal. (387,439 gal.); Trinidad, 128,044 gal. (90,838 gal.); Canada, 31,567 gal. (18,590 gal.).

Because of heavy purchases of fancy molasses and sugar from Barbados, Canada is usually the main market for the colony's products, followed by the United Kingdom, which, like Canada, accords preferential tariff rates to British West Indian products.

In 1943 exports to Canada valued at £1,276,760 accounted for 60·85 per cent of the colony's total exports as compared with only £177,431, or 15·9 per cent of the total, in 1942. This latter figure was the lowest in many years.

Exports to the United Kingdom were valued at £568,167, or 27·08 per cent of the total export value, as compared with £634,105, or 56·8 per cent in 1942.

Of the remaining markets, Newfoundland purchased 2·04 per cent of the total exports, other Empire countries took 6·53 per cent, the United States 0·90 per cent, and other foreign countries 2·60 per cent.

Imports

While import values for 1943 exceeded those for previous years, the percentage distribution according to main classifications was much the same, as shown by the accompanying table.

Under the classification food products, which account for approximately 35 per cent of the colony's total imports, the principal items imported according to value in 1943, with comparative figures for 1942 shown within parentheses, were as follows:—

Foodstuffs.—Flour, £147,832 (£119,253); rice, £52,828 (£45,938); cornmeal, £68,137 (£40,-188); fish, dried salted and smoked, £54,005 (£34,857); canned fish, £18,122 (£14,232); bacon and hams, £30,854 (£8,007); salted pork, £130,050 (£89,936); beef, salted, £14,324 (£34,370); canned meat, £16,315 (£27,344); bran and pollard, £15,895 (£13,982); oil meal and cake, £30,303 (£44,218); feeds n.o.p.,

Barbados Imports by Principal Groups

		Food-stuffs Per Cent	Manu-fac-tures Per Cent	Semi- Manufactures Per Cent
Av. 1920-32	£2,470,000	38	42	20
Av. 1933-38	1,830,000	37	54	9
Av. 1939-42	2,390,000	36	49	15
1943	2,888,349	35.9	52	10.4

£38,166 (£6,377); oats, £24,171 (£13,921); butter, £92,554 (£49,788); cheese, £7,536 (£4,699); condensed and evaporated milk, £30,436 (£18,187); beer and stout, £10,572 (£3,442); margarine, £31,863 (nil); corn, £14,816 (£22,659); lard and lard substitutes, £21,462 (£20,851); tea, £17,276 (£4,886); cigarettes, £14,917 (£7,472).

It will be noted that there were increases in the imports of all items except salted beef, canned meats, oil meal and cake, and corn. Increases were particularly heavy in flour, corn-meal, salted pork, feeds n.o.p., butter, and condensed milk.

Manufactured products, valued at £1,501,974 as compared with £923,775 and which averaged about 50 per cent of the value of the colony's total imports, showed a general increase for all the principal items except soap.

As will be noted from the following list of the principal manufactured goods imported in 1943 and 1942, higher figures for the later year are shown for jute bags and sacks, apparel, cotton goods, iron and steel manufactures, fertilizers, and paper products:—

Manufactures.—Apparel, £64,663 (£27,919 in 1942); bags and sacks, £108,240 (£32,937); cotton piece-goods, £184,524 (£114,204); cotton manufactures, £157,724 (£98,537); art silk piece-goods, £68,056 (£62,615); electrical appliances, £44,503 (£22,541); iron and manufactures, £65,006 (£31,876); leather footwear, £46,452 (£31,273); cement, £29,133 (£13,408); glass bottles £27,268 (£7,180); hats and bonnets, £26,125 (£5,909); leather, £17,757 (£6,429); sulphate of ammonia, £49,328 (£6,750); medicines and drugs, £46,929 (£23,233); paints and colours, £22,966 (£15,427); paper and paper manufactures, £60,091 (£22,394); soap, £29,523 (£59,774); sugar machinery, £39,637 (£19,066).

Barbados Imports by Principal Countries

	1943	Per Cent of Total	1942	Per Cent of Total
Total	£2,888,349	...	£2,003,237	...
Canada	883,985	30.6	578,426	28.9
United Kingdom	651,719	22.6	445,653	22.3
Newfoundland	36,596	1.3	24,126	1.2
Other Empire countries	497,836	17.2	352,717	17.6
United States	471,480	16.3	246,914	12.3
Other foreign countries	346,733	12.0	355,401	17.7

Lumber and its products, with the exception of pitch pine and shooks and staves, also showed a general increase as indicated in the following list of principal unmanufactured imports in 1943 and 1942:—

Unmanufactured Goods and Raw Materials.—Total, £301,863 (£245,357 in 1942); copra, £92,970 (£65,190); Douglas fir, £25,679 (£14,005); pitch pine, £26,311 (£30,362); white pine, spruce, etc., £41,290 (£12,484); shingles, £5,482 (£2,755); staves and shooks, £32,198 (£35,562).

Direction of Trade

The United Kingdom is normally the principal source of supply of imports into Barbados, and up to 1941 accounted for 30 to 50 per cent of the trade. Thereafter the question of supply and shipping became acute, and Canada assumed first place.

Prior to 1939, however, Canada's share of the colony's import trade had declined almost steadily since 1921 to reach its lowest point of 12 per cent of total imports in 1933. During the remaining pre-war years it averaged around 14 per cent.

With a heavy diversion of trade under wartime conditions to Canada, which had an established shipping service to Barbados, the Dominion's trade position improved rapidly, so that in 1941 it supplied 39.7 per cent of the total imports.

As shown in the table of imports according to main countries of origin for 1943 and 1942, Canada's share of the total import trade has dropped somewhat from its peak in 1941, but still exceeds that of other countries.

IMPORTS FROM THE UNITED KINGDOM

Imports from the United Kingdom, valued at £651,719, were 14.6 per cent greater than the 1942 value of £445,653.

Appended is a list of the principal imports from the United Kingdom in 1943, with 1942 values shown within parentheses. The percentage value of 1943 imports from the United Kingdom in each class is also indicated. It will

be noted that the largest increases in import values were for cottons, boots and shoes, artificial silks, electrical apparatus, and machinery.

Beer and stout, £9,238 (£1,862 in 1942), 87·3 per cent; boots and shoes, £22,354 (£9,985), 48 per cent; cement, £9,755 (£8,573), 33·5 per cent; chemicals n.o.p., £6,767 (£8,024), 55·2 per cent; coal, £15,804 (£5,325), 72·8 per cent; cotton piece-goods, £76,124 (£45,691), 41·3 per cent; art silk piece-goods, £49,739 (£36,738), 73·1 per cent; cotton manufactures, other, £138,088 (£94,986), 87·5 per cent; electrical apparatus, £42,470 (£16,280), 93·3 per cent; glass bottles, £16,406 (£1,722), 60·2 per cent; hardware, £7,249 (£7,541), 46 per cent; hats and bonnets, £5,774 (£3,582), 22·1 per cent; implements and tools, £3,074 (£2,128), 53·9 per cent; machinery, all kinds, £37,345 (£20,614), 72·6 per cent; sulphate of ammonia, £12,944 (nil), 26·2 per cent; medicines and drugs, £15,743 (£16,608), 33·6 per cent; paints and colours, £12,040 (£12,812), 52·4 per cent; paper and its products, £7,724 (£5,345), 12·8 per cent; perfumery, £4,525 (£4,014), 30·4 per cent; salt, fine, £3,113 (£3,621), 37·3 per cent; whisky, £5,718 (£2,452), 98·6 per cent; cigarettes, £14,743 (£13,182), 98·8 per cent; tires and tubes, £7,686 (£1,256), 99·8 per cent; wool and woollen manufactures, £23,860 (£19,121), 91·4 per cent.

IMPORTS FROM THE UNITED STATES

Imports from the United States, valued at £471,480, in 1943 showed an increase in value of 90 per cent over that for 1942, largely on account of increasing difficulties in maintaining supplies from the United Kingdom and Canada. The most noteworthy increases were in iron and steel manufactures, apparel, cotton piece-goods, cornmeal, fertilizers, and cement.

Following are the principal items imported from the United States in 1943, with 1942 values shown within parentheses; the percentage value of 1943 imports in each class is also indicated:

Apparel, £21,261 (£2,221), 40·8 per cent; oilmeal and oilcake, £17,187 (£23,882), 56·7 per cent; cement, £13,836 (£2,181), 47·5 per cent; cotton piece-goods, £55,804 (£29,890),

30·2 per cent; cornmeal, £40,718 (£21,191), 59·7 per cent; bottles, £6,769 (£1,619), 24·8 per cent; hardware, £4,638 (£4,657), 29·4 per cent; potash, £22,778 (£13,050), 100 per cent; sulphate of ammonia, £23,568 (£6,750), 47·8 per cent; medicines and drugs, £7,330 (£2,737), 15·6 per cent; iron and steel manufacturers, £53,376 (£14,057), 82·1 per cent; lubricating oil, £12,091 (£10,498), 82·7 per cent; perfumery, £6,429 (£2,436), 43·2 per cent; motor-car parts, £3,284 (£3,272), 35·7 per cent; pitch pine, £26,311 (£30,362), 100 per cent; barrel headings, £2,467 (£2,851), 69·2 per cent; staves and shooks, £8,449 (£6,924), 26·2 per cent.

IMPORTS FROM OTHER COUNTRIES

Other countries of supply, with figures for 1943 and 1942 and values for some of the principal items obtained from each, are shown in the following table:—

	1943	1942
Trinidad	£106,325	£90,294
Jamaica	105,448	72,462
Margarine	31,042	22,994
Raw coffee	7,233	125
Lard and substitutes ..	15,391	12,731
Copra	39,870	35,430
India	84,655	29,178
British Guiana	76,183	67,125
Rice	52,334	38,032
St. Lucia	43,807	14,129
Copra	19,200	2,970
Newfoundland	36,596	24,126
Fish	36,141	20,871
St. Vincent	30,089	27,850
Copra	24,180	19,290
Argentina	292,163	283,034
Butter	77,632	32,057
Bran and pollard	7,531	6,121
Oilcake and oilmeal	11,743	11,442
Corn	14,816	20,009
Cornmeal	11,819	17,737
Bacon and hams	30,376	7,438
Beef salted	11,764	33,158
Pork salted	53,878	22,019
Canned meat	16,315	27,137
Feeds n.o.p.	8,447	61

Trade with Canada

For many years prior to the outbreak of war and during all the war years, except 1942, Barbados has enjoyed a very favourable balance of trade with Canada. The balances for 1941 to 1943 were as shown below:—

	1941 £	1942 £	1943 £
Exports to Canada	1,049,169	177,431	1,276,760
Imports from Canada	912,334	578,426	883,985
Balance, favourable (+) or unfavourable (-)	+ 136,835	- 400,995	+ 392,775

As has already been suggested in the section dealing with direction of trade, imports from Canada did not develop satisfactorily until the war years. The main reason for this pre-war condition was that most of the foodstuffs which were Canada's main stock in trade could be obtained under British Empire preference from other Empire sources. Thus, there was flour from English port mills, dairy products from the United Kingdom, and fish from Newfoundland. This condition was aggravated during those years when Canadian dollars were at a premium, such as in 1931 to 1934, in terms of sterling, to which British West Indian currencies are tied.

Another important factor was that prior to the war Canada did not participate to any great extent in the supply of manufactured goods, which accounted for about 50 per cent of the total value of the colony's imports. During the war years Canada's position in respect of the supply of both foodstuffs and manufactured goods has improved greatly.

In 1938 Canada supplied 16 per cent of the colony's food imports as compared with 22 per cent from the United Kingdom and 10 per cent from the United States. In 1943 Canada supplied 42 per cent of the total value of food imports, the United Kingdom 3·7 per cent, and the United States 6 per cent.

Similarly in manufactured goods, Canada in 1938 supplied only 6 per cent of the total value of imports in this classification, the United Kingdom 57 per cent, and the United States 9 per cent. In 1943 Canada supplied 22 per cent of the manufactured imports, the United Kingdom 33 per cent, and the United States 22 per cent.

In 1943 the total imports from Canada, valued at £883,985, were recorded at more than double the annual pre-war figure, and only slightly less than the peak import value of £912,334. Imports from Canada according to the three main classifications for 1943 and 1942 were as follows:—

Imports from Canada by Main Groups

	1943	1942	Increase
	£	£	£
Total*	883,985	578,426	305,559
Foodstuffs	442,414	293,964	148,450
Manufactured goods	343,693	217,578	126,115
Semi-manufactured products	94,080	57,971	37,109

*Including parcel post shipments.

The rise in foodstuff imports in 1943 was largely the result of heavy increases in purchases of flour, oats, cornmeal, salt pork, and condensed milk.

In manufactured goods the principal increases were in hosiery, cottons, jute bags, hats and bonnets, medicines and drugs, paper manufactures, and fancy soap. There were decreases in imports of artificial silk piece-goods and boots and shoes.

In semi-manufactured goods increases were recorded for spruce and white pine lumber and Douglas fir, and a decrease in imports of shooks and staves.

Details of Imports

Details of imports of items supplied by Canada to a value of £1,000 and over are shown in the following summary, figures for 1942 being shown within parentheses:—

FOODSTUFFS

Baking Powder.—Total, £7,462 (£2,574); United States, £3,198; Canada, £4,264 (£1,789).

Beer and Ale.—Total 26,977 gal., £8,093 (11,847 gal., £2,962); United Kingdom, £6,759; Canada, 4,448 gal., £1,334 (6,276 gal., £1,569).

Butter.—Total, 1,088,869 lb., £92,554 (765,974 lb., £49,788); Australia, £6,103; Argentina, £77,632; Canada, 103,756 lb., £8,819 (65,080 lb., £4,230).

Bran and Pollard.—Total, 2,270,758 lb., £15,895 (1,997,300 lb., £13,982); Argentina, £7,531; Canada, 1,194,684 lb., £8,363 (743,400 lb., £5,204).

Animal Foods, Other Kinds.—Total, 5,088-794 lb., £38,166 (1,275,496 lb., £6,377); Haiti, £18,501; Argentina, £8,447; Canada, 1,275,163 lb., £9,564 (£90,237 lb., £4,501).

Cheese.—Total, 100,481 lb., £7,536 (62,651 lb., £4,699); all from Canada (60,085 lb., £4,506).

Cocoa, Prepared.—Total, 88,328 lb., £8,832 (87,946 lb., £8,794); Canada, 87,882 lb., £8,788 (85,157 lb., £8,516).

Canned Fish.—Total, £18,122 (£14,232); all from Canada (£14,230).

Dried, Salted, or Smoked Fish.—Total, 15,430 qtl., £54,005 (11,619 qtl., £34,857): Newfoundland, £36,141; Canada, 5,104 qtl., £17,864 (4,662 qtl., £13,986).

Pickled Fish.—Total, 810 bbl., £2,835 (716 bbl., £1,611); all from Canada (296 bbl., £666).

Fruits, Canned and Bottled.—Total, £5,127 (£474): Argentina, £3,304; Canada, £1,482 (£88).

Oats.—Total, 4,028,566 lb., £24,171 (2,320,121 lb., £13,921); all from Canada in both 1943 and 1942.

Flour, Wheaten or Rye.—Total, 98,555 bags, £147,832 (87,525 bags, £119,253): United States, £9,216; Canada, 92,411 bags, £138,616 (75,731 bags, £103,184).

Cornmeal.—Total, 42,586 bags, £68,137 (26,792 bags, £40,188): United States, £40,718; Argentina, £11,819; Canada, 9,750 bags, £15,600 (840 bags, £1,260).

Beans and Peas.—Total, 501,279 lb., £7,519 (357,479 lb., £4,467): Argentina, £1,163; Chile, £790; Canada, 330,300 lb., £4,955 (131,568 lb., £1,644).

Animal Lard.—Total, 53,630 lb., £2,279 (9,960 lb., £398); all from Canada in both years.

Other Lard and Lard Substitutes.—Total, 504,994 lb., £21,462 (521,282 lb., £20,851): Jamaica, £15,391; Canada, 142,868 lb., £6,071 (56,828 lb., £2,273).

Salt Beef.—Total, 337,035 lb., £14,324 (859,256 lb., £34,370): Argentina, £11,764; Canada, 60,235 lb., £2,560 (4,200 lb., £168).

Salt Pork.—Total, 3,468,016 lb., £130,050 (2,767,274 lb., £89,936): Argentina, £53,878; Canada, 2,031,255 lb., £76,172 (2,089,760 lb., £67,917).

Meat, Fresh.—Total, 76,878 lb., £4,228 (350 lb., £11); all from Canada (nil).

Condensed Milk (containing not less than 5 per cent Butter-fat).—Total, 1,126,785 lb., £39,436 (519,630 lb., £18,187): United States, £2,746; Canada, 1,043,085 lb., £36,508 (518,688 lb., £18,154).

Pickles, Sauces and Condiments.—Total, £2,090 (£1,186): Canada, £1,183 (£109).

Provisions, n.o.p.—Total, £11,049 (£6,258): United States, £1,712; Canada, £9,107 (£3,611).

Tea.—Total, 138,205 lb., £17,276 (39,087 lb., £4,886): Ceylon, £3,654; India, £4,475; Canada, 70,448 lb., £8,806 (1,950 lb., £244).

RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED

Headings.—Total, £3,561 (£2,851); United States, £2,467; Canada, £1,094 (nil).

Douglas Fir, Undressed.—Total, 303,673 ft. £6,073 (456,739 ft., £8,221); all from Canada in both years.

Douglas Fir, Wholly or Partly Dressed.—Total, 980,337 ft., £19,606 (321,354 ft., £5,784); all from Canada in both years.

Lumber, Other Kinds, Undressed, except Hardwood.—Total, 1,446,520 ft., £28,930 (878,886 ft., £12,304): Canada, 1,409,583 ft., £28,192 (845,570 ft., £11,838).

Lumber, Other Kinds, Wholly or Partly Dressed.—Total, 618,025 ft., £12,360 (12,871 ft., £180): Canada, 617,941 ft., £12,358 (9,500 ft., £133).

Shingles.—Total number, 2,436,000, £5,482 (2,503,700, £2,755): Canada, 2,322,200, £5,225 (2,484,500, £2,733).

Slaves and Shooks.—Total, £32,198 (£35,562): United Kingdom, £3,875; United States, £3,499; Canada, £19,824 (£28,638).

ARTICLES WHOLLY OR MAINLY MANUFACTURED

Socks and Stockings, Cost not exceeding 1s. 6d. per Pair.—Total, 82,774 pr., £5,175 (49,960 pr., £2,102): United States, 23,243 pr., £1,529; Canada, 55,989 pr., £3,416 (37,568 pr., £1,622).

Socks and Stockings, Cost exceeding 2s. per Pair.—Total, 41,670 pr., £6,913 (5,815 pr., £938): Canada, 36,955 pr., £5,925 (5,483 pr., £891).

Socks and Stockings, Other Kinds.—Total, £52,075 (£24,680): United Kingdom, £3,984; United States, £21,261; British Guiana, £5,215; Canada, £21,487 (£12,409).

Bags and Sacks, not exceeding 40 inches by 20 inches.—Total number, 52,000, £3,380 (170,203, £8,510); all from Canada in both years.

Bags and Sacks, exceeding 44 inches by 26½ inches but not exceeding 48 inches by 28 inches.—Total number, 737,690, £47,949 (368,100, £18,305): India, £29,740; Canada, 280,140, £18,209 (nil).

Bags and Sacks, exceeding 40 inches by 20 inches but not exceeding 44 inches by 26½ inches.—Total number, 875,557, £56,911 (84,450, £4,222): India, £48,923; Canada, 119,907, £7,793 (nil).

Cordage.—Total, 297,460 lb., £20,822 (93,284 lb., £6,530): United Kingdom, £931; United States, £9,143; Argentina, £2,510; Canada, 117,679 lb., £8,238 (29,412 lb., £2,058).

Cotton Piece-goods, First Cost not exceeding 1s. per Yard.—Total, 2,005,775 sq. yd., £102,161 (1,625,539 sq. yd., £74,893): United Kingdom, £29,542; United States, £28,653; Canada, 815,403 sq. yd., £42,491 (701,651 sq. yd., £31,703).

Cotton Piece-goods, First Cost exceeding 1s. per Yard.—Total, 1,009,471 sq. yd., £82,363 (443,822 sq. yd., £39,311): United Kingdom, £46,582; United States, £27,151; Brazil, £2,030; Canada, 89,580 sq. yd., £6,600 (30,959 sq. yd., £2,874).

Other Cotton Manufactures, except Apparel.—Total, £157,724 (£98,537): United Kingdom, £138,088; United States, £16,261; Canada, £3,324 (£3,195).

Art. Silk Piece-goods, First Cost exceeding 1s. per Yard.—Total, 533,230 sq. yd., £56,599 (375,807 sq. yd., £41,259): United Kingdom, £38,434; United States, £5,354; Canada, 131,469 sq. yd., £12,811 (146,285 sq. yd., £15,012).

Wool and Woollen Manufactures (except Apparel).—Total, £26,107 (£20,509): United Kingdom, £23,860; Canada, £1,450 (£1,215).

Other Electrical Appliances.—Total, £44,503 (£22,541): United Kingdom, £42,074; United States, £1,090; Canada, £1,278 (£6,171).

Other Iron and Steel Manufactures.—Total, £32,728 (£26,502): United Kingdom, £4,708; United States, £22,297; Canada, £5,685 (£2,409).

Sewing-machines.—Total, £4,302 (£1,183): Canada, £3,999 (£1,002).

Motor Trucks and Vans.—Total number, 11, £1,903 (10, £2,157); all from Canada in both years.

Motor Cars, Trucks and Vans (Parts).—Total, £9,201 (£8,760): United Kingdom, £2,821; United States, £3,284; Canada, £3,096 (£2,297).

Bags, Travelling Trunks and Valises.—Total, £3,768 (£3,802): United Kingdom, £1,127; Canada, £2,451 (£3,074).

Boots, Shoes and Slippers, Other Kinds.—Total, 74, 408 pr., £46,542 (£4,013 pr., £31,273): United Kingdom, £22,354; United States, £2,052; Argentina, £5,213; Canada, 29,740 pr., £16,921 (41,850 pr., £21,191).

Brooms and Brushes.—Total, £4,640 (£2,393): United Kingdom, £3,024; Canada, £1,416 (£608).

Cement.—Total, 19,422 bbl., £29,133 (13,408 bbl., £13,408): United Kingdom, £9,755; United States, £13,836; Canada, 3,695 bbl., £5,542 (2,654 bbl., £2,654).

Chemicals, Other Kinds.—Total, £12,258 (£11,678): United Kingdom, £6,767; United States, £1,837; Trinidad, £1,081; Canada, £2,280 (£1,571).

Glass Bottles.—Total, £27,268 (£7,180): United Kingdom, £16,406; United States, £6,769; Canada, £4,090 (£3,839).

Hard Haberdashery.—Total, £8,200 (£3,785): United States, £2,060; Argentina, £1,726; Canada, £3,841 (£2,533).

Hats and Bonnets.—Total, £26,125 (£5,909): United Kingdom, £5,774; Jamaica, £4,437; Canada, £15,238 (£2,193).

Sulphate of Ammonia.—Total, 3,083 tons £49,328 (450 tons, £6,750): United Kingdom, £12,944; United States, £23,568; Canada, 801 tons, £12,816 (450 tons, £6,750).

Medicines and Drugs.—Total, £46,929 (£23,233): United Kingdom, £15,743; United States, £7,330; Canada, £23,466 (£9,754).

Paints and Colours.—Total, 306,218 lb., £22,966 (308,539 lb., £15,427): United Kingdom, £12,040; United States, £2,599; Canada, 110,969 lb., £8,322 (51,088 lb., £2,554).

Polishes and Varnishes.—Total, 2,857 gal., £2,143 (1,307 gal., £784): Canada, 2,309 gal., £1,732 (657 gal., £394).

Printing Paper.—Total, £9,351 (£5,679): Canada, £8,910 (£5,306).

Writing Paper.—Total, £4,369 (£2,292): Canada, £2,637 (£1,403).

Wrapping Paper.—Total, £21,038 (£4,441): Canada, £20,228 (£4,072).

Other Paper Manufacturers.—Total, £24,800 (£9,579): United Kingdom, £5,674; United States, £4,802; British Guiana, £1,627; Canada, £12,671 (£4,253).

Cosmetics and Toilet Requisites.—Total, £14,871 (£8,925): United Kingdom, £4,525; United States, £6,429; Jamaica, £1,366; Canada, £2,551 (£2,314).

Common, and Laundry Soap.—Total, 791,740 lb., £15,835 (2,810,073 lb., £56,201): United States, £6,384; Argentina, £8,092; Canada, 66,928 lb., £1,339 (62,822 lb., £1,256).

CANADA'S EXTERNAL TRADE IN APRIL

The external trade of Canada, excluding gold, was valued at \$451,938,000 in April as compared with \$439,493,000 for the preceding month and \$424,168,000 for the corresponding month of 1944. For the first four months the value was \$1,607,713,000 as against \$1,604,892,000 for the similar period of 1944, an advance of \$2,821,000.

Exports of domestic merchandise were valued at \$312,323,000 as compared with \$301,175,000 in March and \$282,891,000 in April of last year. For the first four months of the current year the aggregate value was \$1,080,360,000 as against \$1,034,753,000 for the corresponding period of 1944. (A summary and tabular statement on Canada's exports in April was pub-

lished in *Commercial Intelligence Journal* No. 2156, May 26, 1945.)

Foreign commodities were re-exported to the value of \$5,788,000 as compared with \$5,831,000 for March and \$3,790,000 for April of last year, the total for the first four months of 1945 amounting to \$18,982,000 as against \$17,127,000 for the corresponding period of 1944.

Imports

Commodity imports were valued at \$133,827,000 as compared with \$132,486,000 for the preceding month and \$137,487,000 for April, 1944. The total for the first four months of 1945 was \$508,371,000 as against \$553,012,000 for the like period of 1944, a decline of 8·1 per cent.

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's

imports (excluding gold) by principal countries and commodities for the month of April and the four months ending April, 1945 and 1944:—

Imports by Principal Countries

	Month of April		Four months ended April	
	1945	1944	1945	1944
	Thousands of Dollars			
All countries	133,827	137,487	508,371	553,012
Empire countries	20,598	14,234	75,205	64,440
British East Africa	132	143	504	344
British South Africa	927	220	2,391	2,166
Southern Rhodesia	53	....	216	164
British West Africa	927	....	4,427	187
Bermuda .....	....	1	5	4
British India	1,752	1,904	12,268	8,987
Ceylon	450	529	2,446	1,985
British Guiana	1,059	569	2,953	2,208
Barbados	336	203	1,644	2,168
Jamaica	201	646	1,580	3,986
Trinidad and Tobago	838	6	1,334	58
Other British West Indies	45	27	441	542
Newfoundland	428	427	1,603	1,769
Australia	1,410	610	4,092	2,931
Fiji .....	....	....	638	668
New Zealand	40	399	853	3,364
United Kingdom	11,974	8,445	37,392	32,006
Foreign countries	113,229	123,253	433,166	488,572
United States	102,697	114,352	402,651	459,680
Argentina	905	931	2,815	4,178
Bolivia .....	....	....	25	9
Brazil	1,043	407	2,040	2,752
Chile	26	52	182	128
China .....	....	....	....	1
Colombia	1,030	914	3,473	2,996
Costa Rica	2	222	64	298
Cuba	224	703	1,444	1,791
Ecuador	262	1	596	21
Egypt	42	58	125	88
Guatemala	155	340	325	1,067
Haiti	50	28	153	280
Honduras	862	62	2,312	244
Mexico	1,590	1,565	5,073	4,729
Netherlands Guiana .....	....	30	....	175
Netherlands West Indies	77	....	406	232
Panama	8	....	9	....
Paraguay	9	16	61	53
Peru	56	11	81	36
Portugal	62	97	277	418
Salvador	419	560	508	1,020
San Domingo	776	835	1,757	1,800
Spain	445	573	997	916
Sweden	1	6	7	18
Switzerland	443	607	1,202	1,811
Alaska	1	....	25	33
Puerto Rico .....	....	1	10	9
Uruguay	18	20	35	118
Venezuela	1,582	762	4,554	3,117

Imports by Principal Commodities

	Month of April		Four months ended April	
	1945	1944	1945	1944
	Thousands of Dollars			
Total imports	133,827	137,487	508,371	553,012
Agricultural products	20,729	15,858	72,623	68,661
Fruits	5,128	4,145	18,837	15,457
Nuts	614	893	2,761	3,907
Vegetables	2,228	2,028	7,047	6,931
Grains and products	886	897	3,456	4,971
Oils, vegetable	1,442	821	4,256	3,893
Cocoa and chocolate	633	110	1,583	1,136
Coffee and chicory	867	1,646	1,348	4,057
Spices	51	58	201	240
Tea	1,426	965	8,417	5,509

Imports by Principal Commodities—Con.

	Month of April	Twelve Months ended April		
	1945	1944	1945	1944
Agricultural products—Con.			Thousands of Dollars	
Alcoholic beverages	437	390	2,080	1,581
Gums and resins	257	308	1,697	1,330
Seeds	156	172	1,047	968
Tobacco	220	121	738	484
Animal products	3,679	2,439	14,346	12,835
Fishery products	285	210	948	878
Furs (chiefly raw)	1,640	605	7,224	4,690
Hides, raw	119	412	1,001	1,835
Leather, unmanufactured	335	239	1,066	994
Leather, manufactured	341	230	1,136	868
Meats	109	169	279	892
Fibres and textiles	16,705	16,384	67,704	61,395
Cotton	7,205	7,951	31,910	28,316
Raw, and linters	3,070	3,341	13,682	12,803
Yarn	650	739	2,359	2,614
Fabrics	2,861	3,304	13,446	11,270
Flax, hemp and jute	999	1,747	5,536	5,822
Fabrics, flax and hemp	65	154	284	527
Fabrics, of jute	538	1,205	3,768	3,471
Silk	187	136	697	516
Fabrics	183	132	685	498
Wool	3,931	2,877	13,924	13,442
Raw wool	1,140	615	3,097	4,154
Noils and tops	612	701	1,741	2,490
Yarn	639	302	2,391	1,020
Worsted and serges	789	565	2,672	2,790
Wood and paper	4,298	3,762	15,481	14,062
Wood, unmanufactured	570	801	2,006	2,256
Planks and boards	388	269	1,346	845
Wood, manufactured	703	655	2,630	2,184
Paper	1,191	878	4,272	3,783
Books and printed matter	1,835	1,428	6,572	5,838
Iron and products	34,079	34,624	129,289	143,631
Pigs, ingots, blooms and billets	515	170	1,668	543
Castings and forgings	838	676	3,366	2,636
Rolling mill products	5,063	3,924	17,159	15,143
Pipes and tubes	377	391	1,744	1,820
Engines and boilers	1,858	4,944	10,048	17,223
Farm implements	4,491	2,707	16,170	10,680
Hardware and cutlery	404	341	1,384	1,420
Machinery (except agricultural)	8,052	7,696	27,389	30,039
Stamped and coated products	176	188	593	548
Tools	678	770	2,597	3,405
Vehicles	7,734	8,479	32,437	34,809
Non-ferrous metals	9,660	8,575	34,127	36,114
Precious metals	1,120	94	1,799	423
Clocks and watches	454	580	1,368	1,816
Electrical apparatus	4,226	5,308	16,066	19,565
Non-metallic minerals	21,144	19,658	71,937	76,001
Clay products	1,262	1,116	4,204	4,175
Coal	7,513	8,473	28,760	33,608
Coke	1,040	706	2,809	2,973
Glass and glassware	1,639	1,273	5,451	4,414
Petroleum products	7,389	6,562	23,364	24,636
Stone and products	708	655	2,864	2,864
Chemicals	6,801	7,368	25,787	26,342
Acids	253	308	1,043	1,015
Cellulose products	461	412	1,725	1,585
Drugs and medicines	822	569	2,987	2,626
Dyeing and tanning materials	689	674	2,560	2,256
Fertilizers	263	556	986	1,629
Paints and varnishes	801	709	2,790	2,510
Inorganic chemicals	919	1,106	3,316	3,847
Soda compounds	256	564	1,087	1,653
*Miscellaneous commodities	16,732	28,819	77,078	113,970
Amusement and sporting goods	222	158	893	659
Personal and household equipment	731	409	2,601	1,514
Refrigerators and parts	32	12	90	42
Musical instruments	79	50	259	160
Scientific equipment	776	734	3,056	2,862
Vehicles, n.o.p. (except iron)	1,678	4,957	8,333	22,890

* Includes certain military stores.

MAIL SERVICES ABROAD

The Post Office Department has recently issued the following announcements regarding mail services:

Channel Islands

The postal service for all classes of mail (except samples) has been resumed to the Channel Islands. The rates and conditions are those applicable to mail for the United Kingdom. Parcels are subject to considerable de-

lay and are accepted only at the risk of the sender.

Russia

Air mail may again be posted for transmission to the U.S.S.R. It will be forwarded by trans-Atlantic air mail, via England, for dispatch by air to Sweden, thence by surface transport. The postage rate is 40 cents per half ounce or fraction thereof. No information is available regarding U.S.S.R. internal services.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 4, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, June 4, 1945, and for the week ending Monday, May 28, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 28	Nominal Quotations in Montreal Week ending June 4	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2755	.3304 .2753	3½ —
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	— —
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½ —
Colombia	Peso	.9733	.6325	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6024	.7307 .6024	— —
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½ —

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 32 Avenue Louise, Brussels.

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

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PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

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M. J. VECHSLER, Commercial Attaché, Canadian Embassy. Address for letters—Casilla 771 Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

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M. T. STEWART. Address for airmail—Apartado Aereo 3562; for other letters—Apartado 1618, Bogota. Office—Edificio Virrey Solis, Bogota. (Territory includes Venezuela Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Cuba

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Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr et Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey.) *Cable address, Canadian.*

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Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin (*Cable address, Canadian*); and 36 Victoria Square, Belfast.

508

CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Mexico

C. S. BISSETT, Commercial Secretary, Canadian Embassy. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Internacional, Paseo da la Reforma 1, 13th Floor, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) Cable address, *Canadian*.

Newfoundland

J. C. BRITTON. Circular Road, St. John's. *Cable address, Canadian*.

New Zealand

C. B. BIRKETT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian*.

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian*.

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom*.

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom.* (Until further notice, trade inquiries should be addressed to the Johannesburg office.)

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighbing, London*.

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighbing, London*.

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucom*.

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson*.

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian*.

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom*.

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Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom*.

Chicago: J. M. BOYER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian*.

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian*.

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

309

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TABLE OF CONTENTS

	Page		Page
Colombia's Production and Trade....	509	Trade Regulations and Tariff Changes:	
Conditions in Northern Ireland in		Argentina: Rate of Exchange for	
1944	517	Collection of Consular Fees.....	525
Industrial Development in Australia:		Canada: Export Permit Regulations	
II. Period from 1900 to 1939.....	519	Amended	525
United States Agricultural Policy....	522	United Kingdom: Importation of	
Raw Material Prices and Trends....	523	Machinery	525
Mail Services to Norway, the Nether-		United States: Tariff-rate Quota on	
lands and the British Solomon		Certain Fish Nearly Filled.....	525
Islands	524	Foreign Exchange Quotations.....	526
		Commercial Intelligence Service.....	527

COLOMBIA'S PRODUCTION AND TRADE

By M. T. STEWART, *Canadian Trade Commissioner at Bogotá*

The Republic of Colombia occupies a favoured geographical situation at the northwest corner of the South American continent, with coasts on both the Caribbean Sea (641 miles) and the Pacific Ocean (468 miles). It has an estimated area of 439,828 square miles and is divided by three cordilleras of the Andes. These high ranges make for a wide variety of climate and vegetation but provide almost insuperable obstacles to transportation by land.

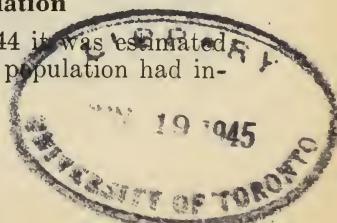
During the Spanish domination of South America, the present Colombia was the new Kingdom of Granada. It was united with what are now Venezuela and Ecuador under the name of Gran Colombia when Simon Bolivar in

1819 won their freedom from Spain. In 1831 the three states separated and Colombia continued with the name of Nueva Granada until 1858. In 1863 it became the United States of Colombia and in 1886 its title was finally changed to the Republic of Colombia.

Colombia lies entirely within the tropics and its climate may be best described as vertical. Bogotá, the capital, situated at an altitude of 8,860 feet, has an average temperature of 58° F. and is always quite cool, whereas the climate in the valleys and port cities is excessively tropical.

Population

At the end of 1944 it was estimated that the Republic's population had in-



creased to 10,082,000. Due to the difficult mountainous topography, the density of population varies considerably. The islands of San Andres and Providencia have a population of 118·7 per square kilometer; the Department of Atlantico, 77·4; Caldas, 57·6; Cundinamarca, 49·8. The average population per square kilometer is 8·6 but, as it develops economically, the country will be capable of supporting a much larger population.

The leading cities, with estimated present populations, are: Bogotá, 432,240; Medellín, 215,830; Barranquilla, 202,760; Cali, 133,140; Manizales, 108,260; and Cartagena, 100,360.

In the early days there was considerable intermingling of the Spaniards and the native Indians and it is estimated that only 30 per cent of the population is white, while 5 per cent is pure negro, 7 per cent pure Indian, 18 per cent mulatto and 40 per cent mestizos. The population in the seaports is predominantly dark.

Government

The Government of Colombia is democratic and the individual citizen enjoys the fullest freedom. Colombia is divided into 14 departments, 4 intendencies and 7 commissaries. The form of government is a unitary republic, governed by a president. The legislative body is formed by 62 senators and 131 representatives. The executive consists of the president and 10 ministers. The president is elected for a period of four years and can be re-elected but not for the immediately succeeding period. The congressmen are elected by public vote for a period of two years and the senators by the department assemblies for a period of four years.

Colombia is a country of contrasts and this is particularly noteworthy in matters of education. It is estimated that about 50 per cent of the population is illiterate and the remainder range from various grades of semi-illiteracy to scholars of the highest standing in Latin America. Although the Government has given much atten-

tion to public education in the last few years, the educational system for the masses cannot be considered adequate as yet. However, the number of students in primary official institutions in 1943 was 623,047 as against 562,945 in 1940.

Purchasing Power

It is difficult to classify the population according to income groups. A large proportion of the population is extremely poor, with a modest—in many cases quite primitive—standard of living. There is, however, a substantial middle class in Colombia which raises the general purchasing power of the country. It is interesting in this connection to note that Colombia is one of the few countries in Latin America with several important cities or centres of distribution. In the leading cities and in many parts of the country there are a number of extremely wealthy families; at the same time concentration of wealth in a few hands is not a marked feature of Colombian economy. The present Government has been responsible for the introduction of advanced social security legislation designed to improve the lot of the common workers, but opinions differ as to whether or not the economy of the country can support the burden.

Economic Resources

(One peso equals about 57 U.S. cents)

Colombia may be regarded generally as a new country, although Bogotá was a city of several thousand population (chiefly Indians) before the Pilgrims landed at Plymouth Rock on the New England coast. Actually, the major economic development of the country has taken place since the beginning of this century and the really great progress in secondary production has been made during the past decade.

AGRICULTURE

Colombia is essentially an agricultural country. According to recent official figures the employed population

of the country is distributed as follows: agriculture and cattle raising, 73·6 per cent; industrial, 11·8 per cent; services, 8·5 per cent; other activities, 6·1 per cent.

A large proportion of the agricultural activities are devoted to the raising of coffee, which is by far the principal crop and the backbone of Colombian economy as well as its principal weakness. Other important crops are wheat, rice, corn, sugar cane, tobacco, potatoes and cotton.

The Colombian Government is making persistent and well-directed efforts to raise the volume and value of agricultural production as well as to improve the quality of the cattle raised in various sections and its efforts generally are meeting with some success. Practically the entire essential food requirements of the population are met by domestic production; in fact some export takes place, notably live stock to Panama. Wheat is imported to supply the coastal regions, but this is at least partially due to the excessive cost of transportation to and from the interior.

SECONDARY INDUSTRY

The record of development of secondary industries in Colombia during the past ten years is quite remarkable. The latest available figures (1943) indicate an investment of 131,993,917 pesos in the 12 principal industrial groups. The leading groups are: textiles valued at Ps. 42,879,760; beer production, Ps. 35,436,686; sugar, Ps. 19,-378,357; cement, Ps. 13,135,515. Other important industries are: tobacco manufacturing, medicinal preparations and chemicals, vegetable oils, leather manufacturers including footwear, clothing, rubber goods, furniture and foodstuffs.

The official statistics showing capital invested in the leading industries and the value of production are incomplete and the estimates are so low as to be misleading. Probably a figure half again the recorded one would be nearer to reality. A complete industrial survey is now being made and until this

record is available it will be impossible to furnish accurate statistics in this connection.

INDUSTRIAL PRODUCTION

The recorded value of production of the 12 principal industries in 1943 totalled Ps. 213,030,326 as compared with Ps. 136,989,302 in 1939. The figures for the textile industry are Ps. 79,879,671; cigarettes and tobacco, Ps. 31,998,939; beer production, Ps. 29,172,418; grain milling, Ps. 15,104,-424; sugar production, Ps. 11,349,844; and cement, Ps. 8,709,544. The production of gold in 1943 was 565,501 ounces, valued at Ps. 34,636,936; the production of petroleum products was curtailed in 1942 and 1943 due to lack of shipping and the figures for 1943 totalled only 13,395,000 barrels, which is about half the 1940 production.

Four industrial groups, namely textiles, cement, beer and tobacco, are worthy of special comment. The textile industry, which has expanded tremendously within the last five years, employs large numbers of workmen, operating in completely modern mills and the opportunities for expansion are still very great. A large home market exists in Colombia and, with improvement in the standard of living of the masses, this market will be considerably augmented. Under wartime conditions Colombia could sell great quantities of its textiles to neighbouring Latin American republics, but this export market is not likely to develop in peacetime against world competition.

The cement industry in Colombia is the first and best example of the development of heavy industry within the country and the few companies engaged in cement production have been notably successful. The normal requirements of the country are very large. With the need for many thousands of miles of paved highways, modern buildings, public works, etc., the cement industry has an almost unlimited future. Huge deposits of limestone are conveniently located in various parts of Colombia.

The production of beer in Colombia is controlled by one large combine, well managed and well organized, and the development of this industry has had an interesting repercussion on agriculture. Those in control of the industry have encouraged the production of barley in Colombia sufficient to meet their needs, the industry producing its own malt and being in every sense a basic industry.

The Compañía Colombiana de Tabaco S.A. has had phenomenal development during the past two decades and is to-day one of the leading commercial and industrial organizations in the country. It has developed the production of the tobacco leaf along modern lines and farmers under its guidance and assistance produce satisfactory qualities in sufficient quantities for practically the entire requirements of the country.

An important development deeply affecting the economy of the country is the extensive oil-exploration program being undertaken by various leading oil companies at the present time. Several promising fields have been proved and the best geological opinion is optimistic about large deposits being proved in the Llanos, that is, the large plains inland behind the Andes to the south and east. It will be necessary to prove very large oil resources in these plains to make it worthwhile to invest the tremendous sums of money required to build a pipeline to the coast; but, if expectations are fulfilled in this connection, the Colombian Government will have an important additional source of income.

Foreign Trade

The foreign trade of Colombia is noteworthy for a wide variety of imports and a very limited classification of exports, chief of which is coffee. Including gold, exports in pre-war years have usually exceeded imports, but in merchandise trade alone imports have frequently been greater in value than exports. In 1939 heavy buying on the outbreak of war resulted in an overall

import surplus. Greatly increased exports and a sharp decline in imports, due to shipping and wartime shortages in supplying countries, resulted in 1942 in a record export surplus. In 1943 the value of merchandise exports moved up to a new peak, but imports showed an even greater increase so that the surplus was smaller.

The following figures show the fluctuations in merchandise trade during the six years 1938 to 1943 inclusive:

	Exports Thousands of Pesos	Imports Thousands of Pesos
1938	144,446	159,259
1939	136,472	183,442
1940	126,038	148,192
1941	133,543	170,006
1942	170,936	104,981
1943	218,519	146,692

Exports of gold for these years were: 1938, 18,790 thousand pesos; 1939, 40,582; 1940, 41,838; 1941, 42,589; 1942, 20,967; 1943, 166 thousand pesos.

Imports

Table I shows Colombia's imports by major commodity groups for 1938, 1939 and the two entirely wartime years, 1942 and 1943, the latter being the latest for which figures are available. The figures in this table indicate alike the variety of imports and the wartime shifts in values.

Both in 1938 and 1939 machinery and equipment was the leading group in value, followed by textiles and metal manufactures. In 1942 and 1943 imports of each of these had fallen sharply, although textiles showed an upward turn in 1943. Transportation equipment and material likewise declined severely in 1942 and 1943, due to diversions to war needs in supplying countries, principally the United States.

In sharp contrast with the drop in imports of textiles during 1942 and 1943 was a rise in imports of yarns and fabrics for manufacturing. Chemicals for manufacturing moved upward in 1942 and more steeply in 1943, while chemical products for consumption rose sharply in 1943 after an earlier wartime recession. Another noteworthy gain was that shown by raw materials for agricultural use.

In studying Colombia's import statistics, it should be borne in mind that Colombia is developing a wide range of secondary industries and that important progress has been made in this connection during the past five years. It is also difficult to over-emphasize the transportation problems in Colombia, while the rate of depreciation on trucks, motor cars and agricultural machinery is probably at least twice as rapid as in the United States or Can-

ada. All imports of machinery and equipment into Colombia may be regarded as essential.

The railways have been operating under a serious handicap due to an insufficient number of engines, cars and repair parts, and this in turn holds up the delivery of important materials needed by farmers and factories in the interior. In the case of transportation by road there is a marked insufficiency

TABLE I
Colombian Imports by Major Commodity Groups

	1938 Pesos	1939 Pesos	1942 Pesos	1943 Pesos
Food for consumption	2,792,682	3,821,224	1,916,292	2,257,288
Beverages	1,738,628	1,815,173	1,170,130	1,193,829
Textiles for consumption	25,852,648	29,988,716	13,128,867	16,586,169
Yarns and fibres for manufacturing.....	4,729,043	5,806,012	8,603,920	9,203,387
Metal manufactures	22,571,782	20,339,657	6,281,512	9,290,416
Metals, mainly iron and steel, for manu- facturing	6,145,344	7,562,979	1,811,479	5,616,238
Machinery and equipment	29,202,231	32,145,476	10,983,494	12,569,319
Transportation equipment and material.....	11,596,340	16,334,850	3,414,563	3,187,970
Chemical products for consumption	12,138,313	14,302,302	11,656,906	20,336,515
Chemicals for manufacturing	7,252,539	8,869,720	9,086,511	14,968,884
Leather and rubber manufactures	3,672,517	4,253,468	1,322,933	6,877,019
Leather for manufacturing	1,276,546	1,253,311	830,757	1,086,277
Paper and cardboard	5,128,855	4,626,139	5,716,198	9,550,429
Books and works of art	1,343,777	1,242,489	1,034,582	1,340,781
Scientific and musical instruments	2,764,672	3,079,868	1,728,642	2,205,837
Stone, cement and glass	5,484,880	5,140,302	3,263,995	5,503,669
Food products for agricultural use	4,506,922	6,299,602	3,310,391	3,987,341
Raw materials for agricultural use	4,226,913	5,399,160	13,111,689	12,608,947
Animals and feed for live-stock industry..	1,511,216	4,024,515	1,871,988	1,284,630
Forest products for manufacture	919,713	914,693	580,308	1,414,950
Notions, toys and sundries	1,147,542	918,870	610,038	875,219

TABLE II
Colombian Imports by Countries

	1938 Pesos	1939 Pesos	1942 Pesos	1943 Pesos
United States	79,445,074	99,123,487	60,410,948	88,835,078
Germany	27,765,555	23,436,780	29,961	9,942
United Kingdom	17,679,527	17,374,556	6,925,198	8,220,474
France	5,380,843	5,579,094	20,597	17,399
Belgium and Luxembourg	3,382,722	3,859,444	6,319	7,231
Czechoslovakia	3,277,966	2,319,136	11	10,274
Canada	2,711,975	4,456,787	2,715,130	3,704,757
Sweden	2,302,695	2,627,425	1,042,792	2,396,538
Italy	1,970,585	4,251,326	6,645	25
Netherlands	1,653,114	1,714,856	68	678
Indo-China	1,193,251	1,534,497	4,290	124
British India	1,131,847	637,620	90,232	105,223
Poland	777,469	1,152,315	...	542
Denmark	567,149	1,033,528	200	...
Curacao	452,122	1,025,515	281,035	322,325
Brazil	414,043	993,398	8,183,384	15,291,913
Argentina	391,824	877,818	10,684,759	13,335,421
Chile	302,634	472,345	925,745	1,384,943
Mexico	126,325	234,429	1,283,933	3,182,257
Peru	105,170	160,002	5,686,018	2,294,890
Uruguay	3,721	278	617,026	1,595,196
Haiti .....	....	3,345	1,074,199	1,609,779

of trucks in suitable working order to carry freight over the difficult mountainous terrain.

Imports of agricultural machinery, tractors and farm hand-tools since 1941 have been insufficient to offset depreciation. Machinery and plant for new cement factories, machine-shops and textile mills may also be classified as essential, and structural steel, reinforcing bars and steel products of all kinds are urgently needed. Oil well-drilling equipment is required in large quantities; diesel engines, large and small, and road-making machinery and concrete mixers carry high priority. All power-plant equipment, including generators, electric motors, transmission line, etc., is also in very short supply. With the rise of local manufacturing, raw materials for manufacturing, heavy chemicals and semi-manufactured materials of a wide variety are in urgent demand.

Table II shows imports by countries arranged in order of value of imports in 1938. Included are several countries which were of little importance as suppliers in that year but which by 1942 and 1943 were supplying Colombia's requirements to a greatly increased degree.

The United States in pre-war years supplied usually upwards of 50 per cent of Colombia's imports. The proportion was nearly 58 per cent in 1942 and 60 per cent in 1943. The low figure of 60 million pesos for 1942 reflects, of course, the difficult supply position in the United States following its entry into the war and the grave shipping crisis during that year.

In regard to the figures of wartime imports from the United States, it may be observed that many items represent forced selection and that Colombia would have bought many other articles in large quantities if they had been available. For instance, raw cotton imports fell off to insignificant amounts due to wartime conditions and Colombia turned to Brazil, Peru and domestic production to make up the deficit. Likewise, the figures for imports of machinery, equipment and other goods

of iron and steel manufacture only indicate the quantities that the United States was prepared to allocate and have no relation to Colombia's real requirements.

Germany was second to the United States as a pre-war source of supply, imports from that country covering a wide variety of commodities. Chief among them in value, to mention only a few, were chemicals and pharmaceuticals, cotton goods, iron and steel pipe, iron and steel plates and bars, calfskins, mechanics' and other tools, chinaware, iron or steel kitchen and domestic utensils, barbed wire, sewing machines, knitting machinery, radio receiving sets, electric motors and generators.

Imports from the United Kingdom, in third position in 1938 and 1939, have declined greatly during the war. Foremost pre-war imports from Britain were cotton and woollen cloth, cotton thread, whisky, knitting and other machinery and apparatus, silk, wool and cotton yarns, and agricultural tools. Of most of these the quantities received in 1942 and 1943 were only a fraction of the pre-war amounts, although supplies of certain items, notably whisky and silk yarns, have been reasonably well maintained. In the case of a few items of minor pre-war value, such as caustic soda, sodium cyanide, and ceramics, there have been substantial increases.

The most interesting—and possibly significant—development in Colombia's wartime import trade has been the rapid and substantial rise of a number of Latin American countries as suppliers. The position attained by Brazil and Argentina in this respect is particularly noteworthy, although Mexico, Peru, Uruguay and Haiti have also shown relatively large gains as suppliers.

The leading commodity imported from Brazil in 1942 and 1943 was raw cotton, which accounted for a third of total imports from that country in the former and a half in the latter year. Next were cotton piece-goods and other textile products. Imports of both of

these were relatively small in value in 1938 and 1939, when cacao beans were first.

Imports from Argentina in the two war years covered a wider range of commodities, including more manufactured goods. First in value were wool yarns with a value of 3,729,496 pesos in 1942 and 4,638,790 pesos in 1943. Other leading items in these years were wool, tallow, chemicals, stearines, linseed oil, tanning extracts, pharmaceuticals, sanitary ware and woollen cloth.

Imports from South American countries rose from a total value of 3,693,442 pesos in 1939 to 27,940,934 pesos in 1942 and 37,786,594 pesos in 1943. It is generally considered unlikely that this trade will survive after the war at the relative level of these years.

Exports

The level of Colombia's export trade has not only been maintained but substantially increased in value during the war, in spite of the claims of important pre-war markets.

Coffee and petroleum have continued to be the two leading export commodities. It may be noted here, however, that Colombian officials prefer to exclude crude oil and petroleum products in discussion of trade totals and balances, since the oil is produced by foreign companies. The outbreak of war caused the loss of the important German market for coffee, but the United States has since taken practically the entire output at prices suf-

ficiently high to give the Colombian producers reasonably good returns. Canada took considerable quantities of coffee in 1943, but direct shipments in 1942 were insignificant.

Shipments of bananas, third in value in pre-war years, had practically ceased in 1942 and 1943. Exports of hides, always a leading item, were adversely affected early in the war by the closing of the German and Belgian markets. Steady demand from the United States and substantial buying by Mexico for an expanding tanning industry, however, have kept this commodity among the leading items. Shipments of live cattle, chiefly to Panama, have risen to substantial proportions as compared with pre-war years, occupying fifth place in 1942 and 1943.

A striking wartime development has been the rise of cotton piece-goods to a position among the few leading export items. Shipments have been mainly to the neighbouring countries of Ecuador and Venezuela. However, there is now a ban on exports of piece-goods to protect the needs of the domestic market, and the future of such exports is uncertain.

The United States is Colombia's leading market as well as supplier. The proportion of total exports taken by that country rose from approximately 58 per cent in 1938 and 70 per cent in 1939 to roughly 90 per cent in 1942. Shipments of coffee, crude oil, raw platinum and cattle hides accounted for the increase.

TABLE III
Colombian Exports by Principal Commodities

	1938 Pesos	1939 Pesos	1942 Pesos	1943 Pesos
Coffee	88,775,329	87,124,693	144,750,690	176,134,686
Crude oil	37,206,478	31,902,996	14,197,345	20,018,020
Bananas	8,863,871	8,678,583	284,006	132
Cattle hides	3,876,258	3,646,366	2,053,445	2,669,469
Platinum, raw	1,650,729	1,126,038	2,230,507	1,862,117
Leaf tobacco	727,224	863,618	...	1,272
Cattle	156,181	68,046	1,324,293	2,320,468
Sheep and goat hides	135,708	247,473	86,845	28,209
Divi-divi	132,726	122,445	187,097	176,528
Alligator skins	111,321	110,090	55,206	52,354
Raw rubber	97,401	34,477	527,052	981,189
Balsam	60,595	91,442	142,850	78,861
Balata	47,852	86,822	204,349	513,308
Figue bags	44,028	89,114	215,250	226,953
Shoes, leather	1,586	302	68,685	399,579
Leather, tanned	776	644	93,970	131,730
Cotton cloth, dyed . . . . .	...	207	657,621	3,284,689

Germany was second to the United States as a market in 1938, taking nearly 13 per cent of total exports. Coffee, bananas, cattle hides, platinum and leaf tobacco were purchased by Germany in substantial quantities. Germany employed the barter system in its pre-war trade with Colombia, tying that country to the purchase of German products in exchange for the purchase of Colombian commodities.

During 1938 and 1939 Curacao was third among destinations of Colombian exports, due to shipments of oil for refining, and Canada fourth with 8·7 and 7 per cent respectively of the total. In 1941 Canada was second to the United States with 13·2 per cent, but in 1942 exports to Canada fell to 1·5 per cent of the total as the result of shipping restrictions and wartime trade regulations.

Trade with Canada

Colombian imports from Canada, as recorded in Colombian trade returns, represented only 1 per cent of total imports in 1938 and 1·4 per cent in 1939. In the next two years the proportion declined slightly but in 1942 rose to 2·7 per cent. It should be noted in this connection, however, that Canada's position as regards shipping to Colombian ports has meant that shipments have been made through United States ports and that consequently certain commodities have lost their identity as Canadian products.

The bulk of Canada's exports to Colombia have been made up chiefly of a few items, such as wheat, paper and paper products (newsprint, kraft and wrapping papers), together with some machinery, metal products, chemicals and fertilizers, and a fairly wide range of manufactured goods of small value. One noteworthy wartime change shown in the Colombian import statistics has been a marked rise in the quantity of paper, mostly newsprint, received from Canada. This is due largely to the wartime control of newsprint exports under which Canada was designated as the chief supplier of Colombia.

Owing to the development of the local flour-milling industry there is no likelihood of Canada obtaining a

worthwhile flour market in Colombia. On the other hand, due to the country's topography, there will always be a limited market for Canadian hard wheat in the coastal areas. The textile industry can absorb large quantities of heavy chemicals, some of which might be supplied by Canada, and the production of rayon yarn, now a well-established local industry, provides a market for rayon pulp. Shoe manufacturing is well established in Colombia, precluding the possibility of any substantial market for imported footwear; but Canadian calf leather is well liked and the market for calf upper leather should increase as the proportion of the population accustomed to wearing better-class footwear increases.

There are opportunities for Canadian producers in sheet and metal products, depending upon their ability to compete in price and quality with manufacturers in other countries. Several Canadian manufacturers have already become firmly established, their products enjoying an excellent reputation.

The development of secondary industries in Colombia, already briefly referred to, will increase rather than decrease the possibilities for Canadian sales to Colombia. Basic secondary industries will always be textiles, cement manufacturing, production of sugar, beer and tobacco. Their expansion should lead to increased demands for machinery and machine tools, paper and paper bags, asbestos fibre and many other commodities. The economic development of the country has been rapid in recent years and is only being retarded now by a scarcity of plant, equipment and raw materials for manufacture and by an inadequate transportation system.

Trade Policy

The Colombian customs tariff is a single-column tariff. Customs duties are usually specific, based on the gross weight per kilo, although a small specified list, including trucks, motor cars and accessories, bicycles, some jewel-

lery items, pianos and playing pianos, is dutiable on an ad valorem basis.

Colombia has trade agreements in force with a number of countries, and Canada enjoys the privileges of the most-favoured-nation treaty between Great Britain and Colombia.

The Colombian Government has maintained control over imports and exchange. The import control at present is handled with a view to securing a reasonably fair distribution of articles in limited supply. The Oficina de Control de Cambios, Exportaciones y Importaciones, operates both the import control and exchange control, and above it the Banco de la Republica, the central bank of Colombia, controls the value of the Colombian peso at 1·75 to the United States dollar. New decrees modifying exchange control can be implemented at any time by the Ministry of Finance.

There are indications that the Colombian Government intends giving increased protection to domestic industries. A new tariff board, whose main function will be to study such

matters, has recently been established, suggesting that certain modifications in the existing customs tariff may be expected.

Post-War Prospects

Prospects for Canadian trade with Colombia in the post-war years, as already suggested, are good. During the reconstruction period in Europe, Colombia will look to North America for the bulk of its requirements and Canada should profit by the consequent opportunities. Further, the progress of industrial and economic development generally should in the long run result in increased demand for many goods which Canada can supply.

The extent to which Canada will profit by the opportunities, however, will largely depend upon the effectiveness of approach to the problem of developing new markets in Colombia by Canadian exporters. There is ample evidence of goodwill for Canada. It is for the exporters themselves to secure a first-hand knowledge of the market and to develop close contacts.

CONDITIONS IN NORTHERN IRELAND IN 1944

By E. L. McCOLL, *Canadian Trade Commissioner at Belfast*

Agriculture

After a lapse of five years, statistics have again been published regarding the acreage under crops and the number of live stock in Northern Ireland. The area under crops increased from 470,828 acres in 1939 to 850,730 acres in 1943, the slight reduction to 840,146 acres in 1944 being due to modifications of the Tillage Order in certain districts. Three major crops—oats, potatoes and flax—accounted for 91 per cent of the total ploughed area in 1944. Oats alone represented 52·5 per cent of the total tillage area; in 1942 the percentage was 57·4. In the case of potatoes the area of 198,164 acres in 1944 is greater than in any year since 1893, while the flax acreage of 124,536 is the largest since 1870.

LIVE STOCK

With regard to live stock, three features are outstanding: the increase in

dairy cattle and in cattle generally, the sharp decline in pigs, and the increase in poultry. Practically all classes of cattle declined in the first year of the war, but since 1940 there has been a steady upward movement. Shortage of feeding-stuffs accounts for the heavy decrease in the number of pigs, which in 1944 was only 37·8 per cent of the figure for 1939. Ordinary fowl showed an increase of 64 per cent between 1939 and 1944. Here again there was some reduction in 1940, but the movement has been sharply upward since that year.

CULTIVATED CROPS

Fine weather during the early part of the year enabled ploughing and sowing to be completed in good time, but harvesting operations were again hampered by unfavourable weather. Hay and flax were saved under compara-

tively good conditions, but the potato crop was adversely affected. Late in the season blight developed extensively, digging was carried out under difficulty, and in some areas there is doubt about the keeping qualities of potatoes in the clamps.

The Tillage Order again required farmers to cultivate 45 per cent of their arable land. Towards the end of the year there was some demand for a reduction of the quota for 1945, and the decision of the Minister of Agriculture not to reduce the percentage was approved by the House of Commons.

ACREAGE PAYMENTS

Acreage payments for potatoes and flax at £10 per acre and for wheat and rye at £4 per acre were continued. It was recently announced, in respect of the 1945 flax crop, that the acreage payment will be reduced from £10 to £5 per acre. The grant of £2 per acre for the ploughing of old grassland was continued, 29,102 applicants receiving a total of £198,906.

The production of milk for human consumption was over 38,000,000 gallons, an increase of 3,000,000 as compared with the figure for the previous year. The quantity shipped to Scotland to meet seasonal winter shortage rose to 3,000,000 gallons.

Mechanization of the industry continues. There are now approximately 7,000 agricultural tractors in Northern Ireland as compared with about 500 at the outbreak of war. Farmers continued to avail themselves of the Ministry of Agriculture's hire-purchase scheme in buying their tractors and tractor implements.

Agricultural wages again advanced. Under an Order of the Agricultural Wages Board, dated June 5, 1944, the minimum rates of wages payable to adult male agricultural labourers now vary from 59s. in the more highly paid districts to 52s. 3d. per week in County Fermanagh.

Industry and Trade

TEXTILE INDUSTRY

Production was maintained at the level of previous war years, and the output of the weaving section of the industry for the year ended September, 1944, was estimated at almost 300,000,000 yards, a considerable proportion of which was cotton. Conditions in the home market remained very similar to those of 1943. Cottons and rayons replaced linen to a large extent, and demand was greatly in excess of supply.

A satisfactory feature of the industry in 1944 was the release of fibre (1,000 tons of line and 1,000 tons of low-grade tow) for goods for priority markets overseas. This material is now in process of manufacture, and it is anticipated that similar releases will be made periodically during 1945.

In September an exhibition of piece-goods and garments made from long staple and viscose rayons entirely spun or woven in Ulster linen plants was held in Belfast and proved of considerable interest to the trade.

The Northern Ireland flax acreage in 1944 was 124,536 and the estimated production of fibre 23,400 tons. Comparative figures for 1943 are 93,376 acres and 17,500 tons.

ENGINEERING AND ELECTRICAL INDUSTRIES

Despite some lessening of work on government contracts, the engineering industry was fully employed, and production was well maintained. The Iron and Steel Control still held up a considerable amount of repair and extension work required by mills and factories throughout the province.

The electrical contracting industry was fully engaged on essential work, including new factory installations. The shortage of skilled labour made it difficult to carry out maintenance and repair work for domestic users.

CLOTHING

The Londonderry shirt and collar industry experienced another active

year, with a continuance of government contracts. Manufacturers engaged on private orders were still governed by the utility restrictions, and on the whole obtained satisfactory allocations of material from the Board of Trade. During the year wages were increased by 7½ per cent for males and 12½ per cent for females.

The demand for both service and civilian clothing exceeded output, a shortage of labour, together with difficulty in obtaining machine parts, preventing factories from reaching peak production. With regard to civilian clothing, the most noteworthy feature was the removal of austerity regulations governing men's wear, which stimulated demand. Considerable quantities of frozen stocks of austerity and other clothing were purchased by the Ministry of Supply for relief purposes. The demand for better-quality goods was maintained.

BUILDING AND TIMBER TRADES

Conditions in the building industry showed no improvement during the

year, due to a reduction in government contracts and to the continued limitation of civilian work. In the timber industry the situation remained unchanged, with local firms acting merely in the capacity of agents for the controlling government department.

It is too early yet to say how the utility furniture scheme, which was introduced in October, will affect the industry. Manufacturers are engaged in the production of samples which retailers will retain for display purposes. The amount of repair work again increased.

GRAIN AND FLOUR

Control of all imported grain and cattle feeding-stuffs remained in the hands of the Ministry of Food at fixed prices.

In the flour industry two changes of some importance took place. The Government reduced flour extraction, which materially improved the quality, and in October the price of national wheat-meal flour was increased from 39s. 3d. to 41s. per sack. No change was made in the price of bread.

INDUSTRIAL DEVELOPMENT IN AUSTRALIA

II. PERIOD FROM 1900 TO 1939

From 1900 until the outbreak of war in 1914 the value of production by manufacturing industries in all the six states of the Commonwealth increased more or less steadily. It reached £42,234,989 in 1909, rose to £54,144,984 in 1911 and to £65,153,386 in 1913. The numbers of people gainfully employed in industry during those three years were 266,661, 311,772, and 337,101, respectively.

War of 1914-18

Although the effects were not to become immediately apparent, the 1914-18 war ushered in a new era for Australian industry. Unlike in Canada, manufacturing industries in Australia advanced little above the normal rate of progression during the first three war years. This was a period of stock-taking and concentration of industrial

effort, particularly following the curtailment of many overseas supplies. But in 1917 the value of output from manufacturing industries increased to £206,376,646 as compared with £172,574,845 in 1916.

The industries which had particularly noteworthy development during the war period were those connected with metal working, food production, textile manufacture, drugs and chemicals, and instrument (surgical and scientific) manufacture. The most important wartime development, in the light of future industrial expansion, was the establishment of iron and steel works at Newcastle, New South Wales.

Post-War Gains

From 1917 to 1921 the manufacturing industries showed still larger increases in production due, firstly, but

not entirely, to the curtailment of imports, already mentioned as being due to war exigencies, but especially to the benefit the country as a whole derived from the increases in agricultural and pastoral values.

The world slump in prices in 1921 did not affect the upward trend of manufacturing production in Australia, which was maintained in full force, and in fact continued until the 1927-28 and later period. The expansion in manufacturing production was a purely domestic development, since the value of exports of manufactured goods from Australia fell from approximately £9,000,000 in 1919-20 to approximately £5,600,000 in 1921-22, which became the normal figure for exports from Australia of manufactured goods until 1931-32. From that year onward a gradual increase was recorded, until in 1938-39 they had regained the level of 1919-20.

Tariff Assistance

The incidence of customs duties on imported commodities materially increased as from 1914, although preference in favour of the United Kingdom became firmly established. The 1921 tariff was frankly protectionist and framed for the purpose of sheltering industries that were begun during the war, for encouraging others that were desirable, and for developing and extending long-established industries.

On March 25, 1920, the margin of preference in favour of goods manufactured in the United Kingdom under this tariff was increased from about 6 to 12 per cent. In 1926 rates of duty were further increased, principally to protect the developing textile industry and the engineering trade, and in 1928 customs duties were again raised.

Under the protection of these tariffs, manufacturing activity expanded greatly. In 1917 the value of output of manufacturing industries was £206,400,000 and in 1926-27 totalled £408,700,000. By 1928-29 the value of industrial output had been increased, although at a lessening rate, to £420,-445,000.

In recapitulating industrial development in Australia from 1929 onwards, it is necessary to bear in mind the influence of the various factors just dealt with. In 1928-29 the then peak value of industrial production in Australia was recorded at £167,623,316. This declined rapidly during the following three years, until at June 30, 1932, the value of production for the year was only £110,981,830.

The number of factories in Australia in 1928-29 was 22,916 employing 450,482 hands, with an average value of production per person engaged of £372. By 1931-32 the number had decreased to 21,657 employing 336,658 hands, with an average value of production per person of £330. The average value of production per person continued to decline until two years later, in 1933-34, it was only £318, whereas the number of factories was 23,297 employing 405,909 hands.

The "Scullin Tariff" was brought into operation in April, 1930. From July, 1930, to June, 1931, the reduction in the number of factories was 949. In the following twelve months the decline lessened, being only 94 for the period.

Ottawa Trade Agreements

With the onset of the depression Australian primary products became of decidedly less interest to foreign countries. The financial crisis of the period demanded that Australia dispose of surplus primary products abroad in order to create overseas funds. In view of the interest of the United Kingdom in the economic stability of Australia, the United Kingdom Government agreed to absorb these surpluses if Australia in return granted further preference in the Australian market for United Kingdom goods. British preference had already become an established feature of the Australian tariff structure, but with the negotiation of the Ottawa Agreements in 1932, United Kingdom products (and, incidentally, a number of Canadian products) benefited to an even greater extent.

Trade Diversion Policy

Australia's balance of trade with foreign countries until 1929-30 was invariably favourable, but adverse balances continued to be recorded with a few individual foreign countries. Continuance of this condition during the critical years of the early thirties led to the introduction in May, 1936, of what subsequently became known as the "trade diversion policy". This comprised the application of increased duties and import quotas to certain commodities and was definitely "designed to divert trade to Australian and British manufacturers and good-customer foreign countries".

This trade diversion policy remained in force for almost two years, within which time the manufacture in Australia of the following commodities was commenced: lawnmowers, washing machines, electric refrigerators, electric motors under 1 h.p., household electric fans, electroliers, gasaliers, chandeliers, pendants and brackets, electrolytic condensers, wireless valves, spring hinges, advertising posters, pencils of wood, brake and transmission linings, gears for motor vehicles, devices for catching or fastening doors of motor vehicles, coil springs for motor-vehicle chassis, shock absorbers for motor-vehicle chassis, metallic rim-fire cartridges.

Capital investment in Australian manufacturing industries from 1932 to 1937 amounted to £14,000,000, of which £3,000,000 represented investments in new industries, such as the manufacturing of steel plates and certain steel pipes, citric acid, latex sponge rubber, zip fasteners, wireless valves, household pins, double-acting shock absorbers and handset telephones.

On May 4, 1938, proposals were introduced providing for increased duties under general tariff for the protection of Australian manufacturers who had established or extended industries under the protection afforded by the import licensing measure.

National Defence Plans

In 1938 and 1939 a total of £6,000,000 was raised by public subscription for

industrial expansion in Australia. The motor, cotton, iron and steel, plastics, chemical and engineering industries all undertook development programs. In addition, by this time the ordinary peacetime development of secondary industries in Australia was being increasingly considered in relation to its possible value as a contribution towards preparedness for national defence. The extension of the aircraft, engineering, tool and metal industries, to name only a few, was considered most desirable.

In March, 1938, the Commonwealth Government announced that it was planning to spend £A43,000,000 on defence; in December this sum was increased to £A63,000,000, its expenditure to be spread over five years. The establishment of "annexes" was one of the first steps taken to carry out the defence schemes of the Commonwealth. These were additions, erected and equipped at government expense, to existing factories, in which defence equipment was to be manufactured. Half of the annexes built for the production of shells were equipped with machine tools imported from Canada. In 1938 also a new federal department, known originally as the Department of Supply, was created to supervise the expenditure of the large sum allotted for the defence production scheme.

Overseas Apparel Markets

The overseas market for British tailoring has always been what is known in the trade as "exclusive", and this applies particularly to men's clothing. In most countries it is fairly clear that more British-made suits could be sold, provided prices were brought down and styles modified to suit foreign tastes. It should be perfectly possible to sell mass-produced ready-made suits abroad as well as at home.

During the last five pre-war years, exports of apparel from the United Kingdom averaged about £9,000,000, of which about two-thirds went to the Empire. On the other hand, imports were as high as £7,000,000 a year, and came almost entirely from foreign countries.

UNITED STATES AGRICULTURAL POLICY

From *Agriculture Abroad*

FARM PRODUCTION PROGRAM FOR 1945

The 1945 National Production Program for United States farmers indicates about the same total crop acreage as was planted in 1944. Suggested total crop acreages for 1945, although smaller than the goals for 1944, amount to nearly 364 million acres as compared with an estimated 360 million acres planted in 1944. The individual goals provided a continuance of 1944 levels for most of the more important crops. The goals for individual crops which called for the largest proportionate increases over the 1944 acreage are: flaxseed, 52 per cent; sugar beets, 47 per cent; tobacco (other than flue-cured and burley), 16 per cent; sugar cane (except for syrup), 11 per cent. The largest proportionate decrease called for is in dried beans, for which the goal is 39 per cent below 1944 acreage; in the case of wheat the acreage for 1945 is estimated to be about the same as in 1944.

The goals for milk production and both the spring and fall pig crops are slightly above the 1944 objectives. It is suggested that cattle and calf slaughter for 1945 be 3 per cent more than in 1944 but this increase is to be accomplished by reducing the number of beef cattle on farms rather than by raising more animals. The goal for egg production for 1945 is 16 per cent below the actual production in 1944.

FARM PRICE SUPPORT

Supported prices for needed crops and classes of live stock are an integral part of the war food program of 1945. The chief legislative bases for the price-support program are the Agricultural Adjustment Act of 1938, as supplemented by the Act of October 2, 1942, and the so-called Steagall Amendment, approved July 1, 1941, as amended October 2, 1942. Prices must be supported for a period extending until two years after January 1 following the date on which the President or Congress proclaims hostilities to have ended.

This legislation requires that the basic crops—corn, cotton, wheat, rice,

tobacco, peanuts for nuts—be supported at 90 per cent of "parity" (92½ per cent in the case of cotton), regardless of whether a support at such level is necessary to obtain the needed wartime production. Prices must also be supported at not less than 90 per cent of the parity or comparable price for any non-basic commodity which has been found necessary to substantially expand production.

The commodities covered only account for about 65 per cent of the cash farm income since fruits, vegetables, beef cattle and veal calves, sheep and lambs, and wool are not included. This legislation also provides for lending and purchase operations to bring prices and incomes of producers of non-basic commodities that are not covered to a fair parity relationship with other commodities—to the extent funds are available and producers are able to bring supplies in line with demand.

In addition to the commodities for which support prices have been formally proclaimed under the Steagall Amendment or for which loans are specifically required by legislation, support prices or loans are proposed in 1945 for a number of other commodities, including sugar beets, sugar cane, rye, barley, grain sorghums, vegetables for canning, and a number of grass and legume seeds.

Price-support programs are carried out through purchase of commodities for military, lend-lease, and other governmental uses, including purchases for the school lunch project and other distribution programs; or through loans, purchases, and other operations conducted by the Commodity Credit Corporation.

In general, supported prices for live stock and live-stock products extend through December 31, 1945, while the support prices for crops grown and harvested in 1945 extend to June 30, 1946. In the case of hogs, however, support prices have been announced for the period ending September, 1946.

RAW MATERIAL PRICES AND TRENDS

From the *Times Trade and Engineering Supplement*

The manufacturing industries in preparing their long-term production programs are very much hampered by the uncertain price outlook for raw materials, although in the early post-war period supplies as such are likely to prove of greater importance than the prices at which they will be available. An attempt at assessing long-term price prospects for raw materials is, of course, handicapped by a number of uncertainties such as the influences of the currency position, the disposal of end-war Government stocks, international commodity regulation, and possible "stock-piling programs" on the various markets. Moreover the war has resulted in a number of almost revolutionary developments, like the expansion in supplies of "synthetic materials", light metals, and alloy steels, which are bound to alter competitive conditions and price relations for numerous raw products.

COSTS AND SUPPLIES

In spite of all these uncertainties one fact stands out—however far the dislocation in the field of raw materials has gone during the past six years, the war has not changed economic laws. In other words, in the long run the relative position of raw materials production costs together with the relation of supply and demand will determine raw materials prices. As far as the relation between supplies and demand during the next decade or so is concerned observers seem agreed that raw material supplies generally will be more than adequate to meet demand. In the case of many materials, indeed, serious surplus supply problems are confidently predicted.

The cost prospects are less clear. Following sharp reductions in the inter-war period, there has been an almost general increase in costs since 1939. Only in some cases in which the war has changed the entire structure of industries producing raw materials—

like the light metal industries—have costs been cut. In the overwhelming majority of instances, however, the cost increases can be traced back to special wartime influences, such as higher costs of plant and equipment, high freight rates, uneconomic working methods necessitated by the war, and increased wages. Most of these factors will gradually disappear with the return to normal conditions, and the higher labour costs which may—and for both social and economic reasons should—continue to be maintained are very likely to be counter-balanced by general cost reductions which can be expected from the rationalization schemes which the great majority of producers of raw materials will undoubtedly carry out after the return to normal conditions. There is, indeed, every likelihood that the pre-war long-term trends of declining raw materials production costs have not been reversed through this war, and there is at present no reason why raw materials prices should in the long run be higher than in the last years before the war.

MINERAL OIL CHANGES

Important changes are at present taking place in the mineral oil industry. Heavy military and other essential requirements connected with the war have raised last year's world production to almost 2,600,000,000 barrels (seven barrels to the ton) which is roughly one-eighth more than the previous maximum, reached in 1941. So far the great bulk of the increase has been due to the unique expansion of production in the United States, which in 1944 produced nearly seven-tenths of the world's oil supplies compared with a normal pre-war figure of just over three-fifths.

This year international oil requirements will be larger than in 1944 but, following its rapid advances in production in the past two years, the United States has reached a stage

where further marked increases will be dependent on costly and lengthy preparations. For the first time in this war, therefore, the greater part of the additional supplies will this year have to be derived from sources outside the United States. Latin America and the Middle East will be the two chief sources of additional supplies and in the latter area the new and rich resources of Saudi-Arabia, owing to the completion of the refinery at Ras Tanura and the expansion of the Bahrain refinery (which is now being linked by pipe-line with the Saudi-Arabian fields), will for the first time be tapped to a substantial extent.

EMPIRE COPPER FOR THE UNITED STATES

In March last it was suggested that the arrangement for the supply of Empire copper to the United States, due to expire at the end of the first quarter, would probably be extended. This has now been confirmed in a statement, published by the United States Foreign Economic Administration, which says that in the first quarter of 1945 the British Government supplied the United States with 30,000 tons of Rhodesian copper and had agreed to supply another 42,000 tons in the second quarter. The latter figure, it was added, represented part of a total of 170,000 tons which the United States has requested from the British Government for the remainder of this year. From these data it can be inferred that a major reduction in the

Empire copper output which has been expected for a considerable time past will hardly take place during 1945.

COTTON SURPLUS DIFFICULTIES

The raw cotton surplus accumulations prompted the United States Government to convoke last month for the first time since April, 1941, a meeting of the International Cotton Advisory Committee. It took place in Washington from April 2 to April 14, and gave the various producing countries an opportunity to review the difficulties with which they will find themselves confronted in the next few months and years. A memorandum considered by the conference and formally agreed to on April 12 established the fact that this season (ending July 31 next) world supplies of cotton will be about 51,000,000 bales of 500 pounds, while world consumption will not exceed 24,000,000 bales. At the end of this season the exportable surpluses of the producing areas will be roughly 19,500,000 bales, which compares with normal pre-war exports of 13,000,000 bales a season. During the 1944-45 season actual world exports are expected to total less than one-third of the normal pre-war figure and, although an improvement is expected in 1945-46, the conference believed that actual exports next season would still remain far below normal. Consequently the surpluses will continue to rise and will cause serious surplus difficulties for a considerable time.

MAIL SERVICES TO NORWAY, THE NETHERLANDS AND THE BRITISH SOLOMON ISLANDS

Norway

The Post Office Department announces that the mail service for private and business correspondence between Canada and Norway has been resumed. Letters and non-illustrated postcards up to a maximum weight limit of 1 ounce may now be accepted for Norway. Business letters will be restricted, until further notice, to those ascertaining facts and exchanging in-

formation. No actual trading is permitted. No registration, money order or parcel post service is yet available.

The postage rates in effect before the service was suspended apply: letters, 5 cents for the first ounce (limit of weight, 1 ounce) and 3 cents for each additional ounce; non-illustrated postcards, 3 cents each.

Air mail service is available—postage rate, 40 cents for each half-ounce or

fraction thereof. (Limit of weight, 1 ounce.) Air mail for Norway will be forwarded via England for dispatch from that country by air to Sweden, thence by surface transport.

The Netherlands

With reference to previous notices in the Post Office Weekly Bulletin, the restricted mail service has now been

extended to the whole of the Netherlands.

British Solomon Islands

The postal service for all classes of mail has been resumed to Lunga and Munda in the British Solomon Islands. The rates and conditions in effect before the service was suspended will apply. Parcel post cannot be insured.

TRADE REGULATIONS AND TARIFF CHANGES

Argentina

RATE OF EXCHANGE FOR COLLECTION OF CONSULAR FEES

Mr. Saúl Aguilar, Consul General of Argentina in Montreal, advises that the rate of exchange for the collection of consular fees for the month of June is \$27.48 (Canadian) for 100 Argentine pesos.

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 117, effective June 15, 1945, an export permit will be required for shipments of lavatories, sinks and other plumbing fixtures, included in Group 7 (Non-metallic Minerals and their Products), exceeding \$25 in value, when consigned to any part of the British Empire or the United States.

United Kingdom

IMPORTATION OF MACHINERY

Mr. J. A. Langley, Canadian Trade Commissioner in London, writes under date June 1 that the Board of Trade has made an announcement repeating in the first place that it will be necessary for the time being, in order to economize in exchange and shipping, to retain the existing regulations controlling imports into the United Kingdom, and no general relaxation can yet be effected.

In the field of machinery and plant, however, there are some kinds not obtainable within the United Kingdom which British industry, after nearly six years of war, will require if it is to be able to turn to its peace-time work

as labour and capacity become freed from war work.

Therefore, the Board of Trade is now prepared to consider applications to import machinery and plant needed for the production of civilian-type goods for the export trade, or required for important home consumption, where such machinery and plant cannot be obtained from home sources. The applications must be submitted by the prospective importers and must be made to the Import Licensing Department in London.

United States

TARIFF-RATE QUOTA ON CERTAIN FISH NEARLY FILLED

The United States Bureau of Customs announced on June 4 that the quota for the calendar year 1945 of 17,668,311 pounds of fresh or frozen cod, haddock, hake, pollock, cusk, and rosefish, filleted, skinned, boned, sliced or divided into portions, admissible at 1 $\frac{1}{8}$ cents per pound as provided for in the Canada-United States Trade Agreement of November 17, 1938, was approximately 90 per cent filled on May 26.

Importers, the announcement states, are therefore required to deposit estimated duties at the full tariff rate of 2 $\frac{1}{2}$ cents per pound on all entries for consumption of quota-class fish during the period June 6 to December 31, 1945, pending determining of the quota status of such importations. Excessive duties deposited on fish of this class found to be within the quota limitation will be refunded.

SUBSCRIPTION RATES

The *Commercial Intelligence Journal* is published in English and French and is issued every Saturday by the Department of Trade and Commerce.

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 11, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, June 11, 1945, and for the week ending Monday, June 4, 1945, with the official rate:

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 4	Nominal Quotations in Montreal Week ending June 11	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2 —
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2753	.3304 .2758	3½ —
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	— —
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3 1/2 —
Colombia	Peso	.9733	.6325	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6024	.7307 .6024	— —
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1 1/2 —

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

Argentina

J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Belgium

B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 32 Avenue Louise, Brussels.

Brazil

L. S. GLASS, Commercial Attaché, Canadian Embassy. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

PAUL SYKES. Address for letters—P.O. Box 886, Bômbay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: M. B. PALMER. Address for letters—P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VEHSLER, Commercial Attaché, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

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YVES LAMONTAGNE, Commercial Secretary, Canadian Embassy, 62 rue du Faubourg Saint Honoré, Paris. *Cable address, Canadian.*

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574
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New Zealand

C. B. BIRKETT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom. (Until further notice, trade inquiries should be addressed to the Johannesburg office.)*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucom.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Counsellor, Canadian Embassy Annex, 1771 N Street N.W., Washington, D.C.

New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

529

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TABLE OF CONTENTS

	Page
Nicaragua as a Market	529
United Kingdom Control of Capital Issues	535
Industrial Development in Australia III. Second World War	536
Economic, Trade and Production Notes	542
Correspondence with Czechoslovakia, Poland, Lithuania, Latvia, Estonia and Italy	544
Trade Regulations and Tariff Changes: Ireland: Import Quotas for Footwear, Headwear and Metal Screws	544
South Africa: Validity of Import Permits and Certificates of Essentiality	545
United Kingdom: Restoration of Suspended Duties	545
Foreign Exchange Quotations	546
Commercial Intelligence Service	547

NICARAGUA AS A MARKET

By H. W. BRIGHTON, *Director, Export Section, Shipping Priorities Committee*

Nicaragua is the largest of the Central American republics, with an area of 57,150 square miles, about the size of England. It has a population of approximately one million, of which 92 per cent live in the western part of the country. These are chiefly of mixed Spanish and Indian blood, some being of pure Spanish descent.

Nicaragua is bounded on the north by Honduras, on the south by Costa Rica, on the east by the Caribbean Sea, and on the west by the Pacific Ocean. The country is traversed by two mountain ranges, and there are extensive coastal plains extending inland from the Caribbean Sea to the mountains.

In the centre of the country is a large lake, Lake Nicaragua, in which various European powers saw possibili-

ties for developing an isthmian canal. In 1916, for the sum of three million dollars, the United States was granted an option to build a canal joining the Caribbean and the Pacific as an alternative to the Panama Canal but, although the granting of this option raised great hopes in Nicaragua, the project never developed beyond the survey stage.

Spanish is the official language of the country, but English is spoken by many of the commercial community, particularly in the three principal cities: Managua, the capital, with a population of some 87,000; Leon, lying north and west of Managua close to the port of Corinto, the intellectual centre and first capital of independent Nicaragua, with a population of 50,000; and Granada, the centre of the coun-

try's wealth and aristocracy, which is south of Managua and has a population of 25,000.

The living standards of the people are simple. The climate is mild, so that no heavy expenditures are required for either clothing or shelter, a fortunate circumstance in view of the low purchasing power of the people.

The population is concentrated largely in the western part of the country and mainly along the western shore and north of Lake Nicaragua. Here there is a grouping of large towns, and the soil is rich from the deposits of ash and lava which have poured down from a line of some 20 volcanoes stretching through this section of Nicaragua, of which Granada is the centre.

On the Caribbean Sea is a broad coastal lowland locally referred to as the "Mosquito Coast". Due to the humidity, heavy rainfall and dense forests, the population is sparse, lumbering being the main industry. The people are largely a mixture of Negroes, who were brought in from the West Indies to work on the banana plantations around Bluefields, and the native Indians. There is some placer-gold mining in this area also.

Natural Resources

Nicaragua is predominantly an agricultural country. The production of coffee and bananas and the raising of cattle, together with lumbering, are the principal occupations of the people. Some sugar, cotton, cocoa, and a small quantity of sesame are also produced for export. Tobacco, corn, rice, beans and other vegetables, and some fruits are grown for domestic consumption.

The country possesses rich mineral deposits but, with the exception of gold and silver, they have been developed to only a limited extent.

Forest resources are also abundant and include mahogany, ebony, cedar, pine, rosewood, and quebracho. Balsam, ipecacuanha and a variety of gums and medicinal plants are found.

Efforts are being made to encourage increased agricultural production of

cash crops other than food products, particular emphasis being placed on rubber, derris (for insecticides), roselle (for fibres), abaca (for marine ropes), cinchona (for quinine), and sesame (for oils). The last-mentioned product was unknown six years ago in Nicaragua, but already is an important oil producer.

As stated elsewhere, with 92 per cent of the population living in the narrow western region, there is plenty of room for expansion. The use of cargo planes has materially aided in developing hitherto inaccessible areas, particularly mining enterprises, and the construction of highways will aid still further in developing the natural resources of the country. In 1940 the Government passed legislation enabling it to grant loans for the development of new business, provided 75 per cent of the capital stock is owned by Nicaraguans, and concessions are being granted to develop forest and mineral products.

Foreign Trade

A rigid system of exchange control has been in force in Nicaragua since 1931. Before placing an order or making a payment abroad, notification in writing must first be given the National Bank of Nicaragua. A copy is signed by the bank and returned, and exchange may then be obtained from any authorized bank. Although exchange has been tight, there has been no undue delay in obtaining foreign exchange for essential imports.

The United States has been the principal country in Nicaragua's foreign trade. In 1938, for example, the United States took 67 per cent of her exports, Germany 15 per cent, and France and Holland 3 per cent each. In the same year the United States supplied 59·7 per cent of the imports, Germany 10 per cent, the United Kingdom 8·3 per cent, and France 2·1 per cent. The war interrupted the trend of trade towards the Continent, and in 1942 the United States took 92 per cent of all Nicaraguan exports and supplied 77 per cent of her imports.

IMPORTS

As shown in Table I below, Nicaragua's imports consist, in order of importance, of textiles; machinery; petroleum and its products; iron and steel manufactures; chemical and pharmaceutical products; food products, mostly flour; automobiles; beverages; and paper and rubber products.

TABLE I
Nicaraguan Imports by Principal Commodities

	1938	1939	1941	1943
	(Figures in gold Cordobas)			
Total	5,119,579	6,364,891	10,438,271	13,529,870
Cotton manufactures	1,225,986	1,533,560	1,875,963	3,220,845
Machinery and apparatus	790,340	1,184,526	2,495,016	1,588,608
Iron and steel manufactures	416,199	574,836	938,169	859,200
Chemicals and pharmaceuticals	275,005	342,864	691,049	1,335,523
Essential oils	208,612	310,016	741,799	736,342
Vehicles	88,131	220,570	363,520	330,929
Flour, wheat	138,211	183,512	255,816	488,601
Gasoline	109,259	144,690	280,128	539,026
Paper manufactures	144,652	139,881	236,118	593,177
Silk manufactures	79,179	136,362	184,522	285,113
Vegetable fibres	173,062	135,314	140,148	594,071
Petroleum, refined	79,760	125,813	87,277	28,810
Explosives	285,398	115,776	254,713	335,417
Hides and manufactures	87,670	95,471	152,594	223,013
Oilcloth, elastic and rubber products	49,837	67,680	150,915	273,821
Cement	38,024	65,636	126,608	76,852
Glass and glassware	39,731	64,740	88,704	169,748
Copper and alloys	42,022	63,309	99,031	62,891
Paints, varnishes and colours	38,874	57,830	90,545	136,562
Liquor, wine, beer, beverages	37,557	54,698	73,415	90,529
Tobacco	52,158	53,779	61,174	115,227
Perfumes and toilet preparations	35,762	46,859	79,323	136,324
Food products, n.o.p.	27,733	42,460	70,730	95,321
Motion picture films	26,004	42,345	42,409	52,695
Wood manufactures	28,077	41,228	62,528	180,103
Soap	20,859	27,719	43,071	65,539
Vegetables	17,204	26,685	41,124	58,938
Meat and products	9,656	26,280	28,228	36,669
Milk	13,373	20,265	36,633	48,170
Fruit and products	11,969	16,554	33,155	33,399
Fish and products	8,388	15,810	19,648	11,602
Matches	17,013	11,050	10,937	...
Malt	6,968	10,061	26,223	27,420
Wheat	4,378	3,906	8,536	2
Rice	2,473	135	1,026	3,676

TABLE II
Nicaraguan Imports by Principal Countries

	1938	1939	1941	1943
	(Figures in gold Cordobas)			
Total	5,119,579	6,364,891	10,438,271	13,529,870
United States	3,059,952	4,352,460	9,141,506	8,256,952
Germany	512,934	776,707	4,173	1,862
United Kingdom	422,467	333,067	153,463	272,491
Peru	132,700	172,584	330,371	553,227
France	106,894	165,202	7,719	...
Mexico	51,412	88,388	79,892	2,789,673
Belgium	63,540	84,642	...	...
Panama	96,260	59,368	75,690	387,090
Japan	80,292	54,854	216,519	...
Netherlands West Indies	47,191	47,502	164,041	94,902
Italy	291,690	33,065	2,157	...
El Salvador	16,314	26,120	48,950	194,302

Nicaraguan Imports by Principal Countries—Con.

	1938	1939	1941	1943
	(Figures in gold Cordobas)			
Costa Rica	12,610	18,532	67,522	335,839
Czechoslovakia	83,900	15,183	...	...
Switzerland	14,297	12,949	5,235	6,346
Honduras	11,152	12,737	11,954	147,943
Denmark	14,631	10,781	...	...
India	3,384	5,223	3,150	109,188
Guatemala	4,958	5,049	61,773	99,697
China	647	4,574	9,438	...
Norway	5,101	4,314	...	...
Brazil	3	2,859	5,638	141,473
Chile	6,892	1,118	2,604	1,505
Spain	1,167	549	203	1,372
British Honduras	120	236	950	5,539
Cuba . . . . .	...	...	...	11,537

EXPORTS

Since 1939 gold has been the principal item of export from Nicaragua. Prior to that year coffee headed the list, followed by bananas, lumber,

cotton, live stock, hides and skins, silver, and sugar. Exports from Nicaragua by principal countries and commodities in 1938, 1939, 1941, and 1943, are shown in Tables III and IV.

TABLE III
Nicaraguan Exports by Commodities

	1938	1939	1941	1943
	(Figures in gold Cordobas)			
Total	5,884,154	8,300,972	11,931,091	15,440,367
Gold	1,550,520	3,503,266	7,323,265	7,735,757
Coffee	2,030,570	2,639,981	2,575,688	3,436,779
Bananas	776,661	654,346	280,013	...
Lumber	377,189	334,872	390,885	529,998
Cotton	262,098	253,478	124,526	302,237
Live stock	70,442	186,670	109,748	97,457
Hides and skins	146,983	99,062	70,124	121,248
Silver	68,670	96,227	93,553	110,694
Sugar	128,506	83,600	...	228,650
Root of ipecacuanha	117,120	76,126	49,222	94,740
Cacao	82,681	50,177	30,091	46,174
Dye wood and dye	39,360	28,328	16,800	13,911
Oilskin	34,350	27,937	11,746	884,745
Cotton seed	39,422	24,772	13,194	400
Balsam, balm	14,896	18,210	17,921	20,607
Mineral ore . . . . .	...	16,393	291,948	86,666
Live turtles	12,078	8,481	6,645	6,875
Sesame . . . . .	...	2,759	34,493	478,475
Coconuts	3,677	1,053	...	...
Beans	145	1,036	...	...
Cheese	732	175	761	21,788
Butter	890	58	189	2,487
Rice	434	...	36,476	286,992
Corn	6	...	...	55,044
Lard	3,922	...	6,625	...

TABLE IV
Nicaraguan Exports by Principal Countries

	1938	1939	1941	1943
	(Figures in gold Cordobas)			
Total	5,884,154	8,300,972	11,931,091	15,440,367
United States	3,960,706	6,431,644	11,456,788	13,559,964
Germany	867,294	905,695	...	...
Holland	205,642	243,321	...	...
Peru	115,478	199,332	158,451	159,358
France	188,886	168,563	...	...
United Kingdom	135,729	103,510	...	1,448
Costa Rica	53,189	53,746	60,706	772,210
Japan	119,638	40,085	146,613	...

	1938	1939	1941	1943
	(Figures in gold Cordobas)			
Finland	50,028	27,459	...	...
Sweden	12,691	22,122	...	...
Honduras	22,608	16,313	23,739	280,161
El Salvador	7,099	15,072	11,684	23,119
Panama	22,651	12,261	24,807	441,726
Denmark	1,089	11,686	...	...
Cuba and West Indies	13,800	10,347	4,756	5,993
Czechoslovakia	4,474	8,550	...	...
China	155	7,516	28,013	...
Guatemala	57,425	5,964	11,178	103,588
Italy	20,585	5,497	...	...
Belgium	450	5,145	...	...
Colombia	2,978	2,985	1,377	2,896
Chile . . . . .	...	1,695	...	2
Norway	300	1,594	...	...
Mexico	19,147	401	959	84,564
British Honduras . . . . .	...	80	1,378	420
Spain	36	3	...	...
Canada . . . . .	...	...	299	3,610

Trade with Canada

As stated previously, the foregoing statistics are based on official Nicaraguan trade returns; Table V, based

on Canadian statistics, shows Canada's principal exports to Nicaragua in 1938, with comparative figures for 1939, 1941 and 1943.

Canada's Exports to Nicaragua

	1938	1939	1941	1943
	Figures in Canadian Dollars			
Total	74,970	90,288	213,480	214,922
Electric apparatus	1,676	30,715	10,320	20
Machinery (except agricultural)	758	21,278	19,066	22,495
Aircraft and parts	35,000	6,962	...	...
Copper wire	927	6,312	8,951	160
Inorganic chemicals	23,544	5,986	13,701	8,662
Engines and parts . . . . .	...	3,761	5,220	1,925
Newsprint	388	3,075	...	3,353
Belting, rubber	2,420	3,013	...	...
Malt . . . . .	...	2,884	11,321	3,589
Rubber manufactures, n.o.p.	4,821	1,674	3,663	...
Hardware and cutlery . . . . .	...	1,136	...	160
Castings, iron . . . . .	...	...	1,765	...
Leather, patent	1,210	...	...	...
Soda and compounds . . . . .	...	...	99,401	152,452
Paper and manufactures . . . . .	...	...	12,121	988
Wheat . . . . .	...	...	6,630	...
Tools . . . . .	...	...	5,868	293
Leather, unmanufactured . . . . .	...	...	2,572	...
Flour, wheat . . . . .	...	...	301	9,395

Total imports into Canada from Nicaragua were valued at \$218,383 in 1943 as compared with \$664 in 1941, \$1,805 in 1940, and \$315 in 1939. Raw cotton was the only item of importance, accounting for \$218,159 of the 1943 value; there is no record of imports of this commodity in preceding years. Logs were imported in 1940 to a value of \$1,074, and silver in bars and blocks to a value of \$731 in the same year as against \$315 in 1939.

The foregoing statistics indicate that there is considerable room for the expansion of Canadian trade with Nica-

ragua in both directions, but this will not come about unless shipping facilities are improved in the future.

Trade Possibilities

At present practically all types of merchandise are in short supply in Nicaragua. In the future it is more than likely that there will be a greater demand for industrial materials and equipment and agricultural machinery than for consumer goods.

The active demand at the moment is for such items as artificial jewellery;

bazaar goods; brushes; buckles; builders' hardware; calcium carbide; copper wire and cable; toys; electrical apparatus and accessories; enamelware; engines and boilers; fish, canned and preserved; foodstuffs, canned; iron and steel manufactures; haberdashery; hardware, shelf and builders'; milk, condensed and evaporated; paper products; pharmaceuticals; plywood and veneer; pulleys and blocks; rubber and manufactures; shoemakers' requisites; and springs, beds and upholstery.

Industries

Industrial development in Nicaragua is hardly beyond the handicraft stage. As stated elsewhere, the country possesses considerable mineral and forest resources, but there are only a few mining enterprises, producing gold and silver, and some small sawmills turning out hardwoods for export. Sugar mills and refineries and coffee-processing plants employ a substantial number of people. Other industries, producing largely for domestic consumption, include tanneries and those making cement, textiles, boots and shoes, beer, cigarettes, soft drinks, soap, spirits, candles, and cigars.

Shipping Services

Corinto, situated on the Pacific about 90 miles from Managua the capital, is the principal port, and through it passes about 70 per cent of the foreign trade of Nicaragua. From a commercial trading standpoint, however, the town is unimportant.

Bluefields and Puerto Cabezas are two ports on the Caribbean coast, the latter being the more important. It is from these two ports that vessels operated by the United Fruit Company and the Standard Fruit Company sail with cargoes of bananas. Hardwoods are also exported from these ports. The offices of the mining companies are also located here.

Normally steamship services operate from both coasts to United States ports, but sailings are not as regular as to the other ports in Central

America. The majority of the ships calling at Corinto do so only when northbound. Therefore, cargoes from either Pacific or Atlantic ports of Canada would probably have to be transshipped at Balboa, Canal Zone, to a vessel calling at Corinto en route to San Francisco or other northwestern port.

AIRLINES

The Pan American Airways operate regular services from Mexico City and United States points to Nicaragua and beyond. TACA (Transportes Aereos Centro-Americanos) also operate in Nicaragua, with connecting lines to outside points.

Tariff and Documentation

Most duties are specific and are levied on the basis of net or gross weight. There are a few ad valorem duties, which are based on the f.o.b. value at the port of export. There are also additional import taxes in some cases, consisting of package taxes and customs surtaxes.

The documents required for shipments to Nicaragua consist of eight copies of the consular invoice, four copies of the commercial invoice, four copies of the bill of lading, and four of the certificate of origin. A visa will now be granted on presentation of a declaration by the exporter in prescribed form giving the number and date of the export permit and of the import recommendation, or when accompanied by an actual copy of the Nicaraguan import permit. Full information respecting documentation of shipments to Nicaragua is contained in a pamphlet entitled "Invoice Requirements of Nicaragua", copies of which may be obtained on application to the Department of Trade and Commerce, Ottawa.

Currency, Weights and Measures

The monetary unit is the cordoba, (symbol C\$), divided into 100 centavos and at present equivalent to 20 cents United States currency at the official rate of exchange.

The metric system is official in Nicaragua. Some local measures are used by the domestic trade, but these do not concern the Canadian exporter.

Cable and Mail Rates

The cable rates from Canada to Nicaragua are: for straight words, 43 cents each; deferred, $21\frac{1}{2}$ cents per word; night letter, \$3.59 for 24 words plus $14\frac{1}{2}$ cents for each additional word; the rate for cables sent in code is 26 cents per word.

The ordinary letter rate to Nicaragua is 4 cents per ounce. The airmail rate is 10 cents for each quarter ounce. The maximum weight that may be sent by parcel post is 20 pounds, the rates being as follows: first pound, 30 cents; 1 pound to 2 pounds, 45 cents; 2 pounds to 3 pounds, 70 cents; 3 pounds to 4 pounds, 90 cents; 4 pounds to 5 pounds, \$1.05; 5 pounds to 6 pounds, \$1.25; 6 pounds to 7 pounds, \$1.40; 7 pounds to 8 pounds, \$1.65; 8 pounds to 9 pounds, \$1.80; 9 pounds to 10 pounds, \$2; 10 pounds to 15 pounds, \$2.75; 15 pounds to 20 pounds, \$3.75. Parcels cannot be insured, but letters

can be registered. As there is considerable delay in arrival of surface mails, it is recommended that use be made of airmail for all correspondence of any urgency.

Credit Terms and Practices

The use of sight drafts is recommended, but in normal times 30 to 90 days sight draft from date of acceptance was frequently granted to Nicaraguan firms. The protest limit is the same day, and the statute of limitations is three years.

Nicaragua should be one of the most, if not the most, prosperous country in Central America. The land is fertile, and the mineral resources are extensive, but the difficult terrain and lack of transportation facilities have retarded settlement and development. The railroads comprise some 400 miles of narrow-gauge lines, and there are only about 1,500 miles of highways, less than half of which is suitable for year-round motor travel. The principal cities are connected by roads, and the Inter-American Highway through Nicaragua will be about 214 miles in length.

UNITED KINGDOM CONTROL OF CAPITAL ISSUES

By J. A. LANGLEY, *Canadian Trade Commission at London*

An official White Paper has been published by the United Kingdom Government containing new instructions from the Treasury to the Capital Issues Committee in respect of future control of capital issues.

During the war new issues were permitted by the Committee only if they assisted the war effort. Henceforth new issues of capital will usually be allowed if they are intended to serve certain specific purposes.

The new regulations provide that, subject to circumstances requiring at any time stricter control, consent will usually be given to issues of securities for the following purposes:—

1. Issues to be used directly to finance the production or sale of exports from the United Kingdom.

2. Issues required to establish, restart, convert or expand undertakings in the areas designated as "development areas" in furtherance of the policy of balanced distribution of industry.

3. Issues by public utility undertakings and housing associations.

4. Development of agricultural land, including the erection and repair of agricultural buildings, and of the fishery industry.

5. The production and exploitation of raw materials in the United Kingdom.

6. Transport and storage.

7. Issues for such productive and constructional purposes not covered above as may be notified to the Com-

mittee from time to time by the Treasury after consultation with the appropriate other government departments. In the initial stages of the transitional period the list of eligible applications under this head will consist of cases requiring capital:—

- (a) In connection with the housing program and other permitted non-industrial building;
- (b) for basic items of household furnishing and equipment;
- (c) for essential personal clothing and footwear;
- (d) for the manufacture of other consumable goods, which is specifically supported as essential by the appro-

priate Department;

(e) for the manufacture or acquisition of capital goods;

(f) the catering industry (including hotels);

(g) services ancillary to the above.

Issues for the purpose of financing domestic distributive trades and retail trade will be permitted only if it is judged that the issue is desirable for the maintenance of essential food supplies or other essential distributive services.

It is especially significant that the highest priority is given to the financing of undertakings producing or selling for export.

INDUSTRIAL DEVELOPMENT IN AUSTRALIA

III. SECOND WORLD WAR

This is the last part of a digest of an extensive review of Australian industrial development, prepared by Frederick Palmer, former Canadian Trade Commissioner at Melbourne, shortly before his transfer to his present post of Commercial Counsellor, Canadian Embassy at Chungking, China.

With the outbreak of war in September, 1939, industrial expansion in Australia received a powerful stimulus.

Within twelve months Australian industries were called upon to produce commodities whose intricate nature, except for the emergent circumstances, would have prevented their production in Australia for many years. These products included optical munitions, such as stereoscopes (produced in Australia at a cost of £13 as compared with £70 paid formerly for imported articles), prismatic compasses, dial sights, range-finders, machine tools, and aeroplane engines.

The establishment of a Commonwealth aircraft industry on a large scale was the outcome of a special agreement between the Governments of Australia and Great Britain. Assembly plants were established by the Aircraft Production Commission for the output of Beaufort general reconnaissance aeroplanes, the component parts for which involve engines being manufactured largely in private engineering workshops throughout the Commonwealth.

Rolling mills for the fabrication of all grades of aluminium and aluminium alloy sheets for aircraft and for general distribution were erected in New South Wales.

The manufacture of newsprint in Tasmania from Australian materials was brought to the final stages. The Tasmanian mill, it was hoped, would eventually ensure self-sufficiency to Australia for the bulk of newsprint supplies.

Important developments in the cotton textile industry took place and extensive expansion in the iron and steel industry was embarked upon.

In 1939-40, for the first time in Australia, the manufacture of rubber insulated cables was begun. Rolled steel automotive sheets, steel tubes, machine tools, plastics and plastic moulding powders of Australian manufacture began to make an important contribution to the country's industrial production at a time when overseas supplies were curtailed, either by physical inability to import or as a result of restrictions imposed in Australia to conserve foreign exchange.

Australia to-day can make nearly every machine required in industry (with the possible exception only of very accurate machine tools), including tool-room equipment and gauges, which in pre-war days were produced almost exclusively by famous Swiss firms.

Towards the end of 1940 the Eastern Group Supply Council was established and, as the factories of the United Kingdom were then being hard pressed for the equipment of an army to replace that lost at Dunkirk, and as some progress had by then been made in Australia to manufacture munitions, it was only natural that the Eastern Group Supply Council turned largely for munitions and equipment to Australia.

Import Restrictions

Towards the end of 1940 also the necessity for a close study of the economic aspect of munitions production and of defence generally became widely apparent. The public's first great interest in this phase of the war was rudely stimulated on December 1, when, in effect, trade with North America—the "dollar" countries—was made subject to licensing by a branch of the Department of Trade and Customs, known as the Division of Import Procurement. As a direct result, importers unable to obtain licences to import manufactured goods from North America turned to Australian manufacturers. Thus stimulus was given to the manufacture of machines, materials and commodities which in normal times would possibly not have been contemplated for many years.

Iron and Steel

The Commonwealth entered the war in a favourable position as far as steel is concerned. The directors of Broken Hill Pty. Limited, the largest concern of its kind in the Commonwealth, long before the outbreak of hostilities had built up with the friendly support of Canadian producers a two years' supply of certain ferrous alloys. This foresight ensured the production at least

of basic steels. The Commonwealth munition industries, however, were still dependent on outside sources of supply for tool steels, particularly on Canada, when the United Kingdom was unable to supply tool steel after the collapse of France.

With technical help from Canada, the Commonwealth began to manufacture tool and other alloy steels. At the same time consideration was given the manufacture of carbide tips, and by 1943 the Commonwealth was almost self-supporting in steels, including armour plate, tool steels, and carbide tips. The existence of these highly essential industries not only made continuous production of munitions possible but facilitated the production of machine tools, hand tools and many products Australians were satisfied to import in pre-war years.

While the war continues government control will certainly be retained over foreign exchange and imports, which will enable Australian manufacturers to experiment in the production of more and more types and kinds of metal products for which there will likely be a peacetime demand. The basic post-war plans of the Commonwealth Government primarily concern housing. The surplus metal-working factories may well be transferred to the production of hardware, etc., necessary for carrying out a comprehensive housing scheme. Should this plan eventuate, a new builders' hardware manufacturing industry may be well established before hostilities cease.

Automotive Equipment

For many years Canada has enjoyed a favourable market in Australia for automotive equipment, principally the popular low-priced lines. Although the restricted price market reflected the application by Australia of a "Canadian content" regulation if the importer desired to get the maximum advantage of a tariff preference, this preference would probably disappear, as far as a particular part of a chassis was concerned, if the Commonwealth authority decided that the part was

being manufactured in Australia in sufficient quantities and at a favourable price.

For example, no complete bodies could be imported except under a "general tariff" rate. This was because Australia had entered the body-building business. As a result Australians were practically limited to a narrow range of automobile body types, but Australia's decision to be satisfied with such a limited range was only another example of the general decision, widespread in the Commonwealth, to be as independent as possible of outside supplies.

Not only was the importation of bodies prevented under a preferential tariff, but many standard chassis items as well. Batteries, tires and springs, for example, could not be imported as part of a "knocked-down" chassis for assembly in Australia when domestic manufacture was undertaken.

In post-war years it is more than likely that a complete chassis will be built in Australia, including engine and frame members. During the war Australians have found it necessary to build complete aircraft, with the exception of certain instruments. Aircraft motors up to 2,000 h.p. have been built and, because Australians have been able to build these motors to a high technical standard, there is a strong local opinion which may well compel the construction of engines for automotive units in the Commonwealth.

Should any manufacturer decide to produce automotive engines under the Commonwealth subsidy scheme, other manufacturers, such as those engaged in assembling chassis from imported parts, British or North American, might be obliged to follow suit, particularly if individuality is worth preserving.

Large-scale agriculture envisages extensive use of tractors. Steps were taken to obtain some 2,500 tractors under Lease-Lend, but some will possibly be made in Australia. Consideration is being given the possibility of building tractors using Australian-made Diesel engines as the prime

mover. Already plans are being studied to make such Diesel engines in Australia.

Pulp and Paper

Canadian newsprint manufacturers have long been aware of the desire of Australian newspaper publishers to establish a newsprint industry in Australia. The industry is not expected ever to fill completely the Australian demand for such paper, but the group most directly interested in the newsprint mill now operating in Tasmania should almost be independent of imported paper when production plans now forecast have been implemented in post-war years. The further expansion of production beyond to-day's rate is dependent on plant extensions and the availability of machinery and hydro-electric power.

NEWSPRINT

Imports of newsprint into Australia from Canada should not be much less in post-war years than pre-war; percentages cannot be estimated, as these obviously must take into account the general post-war economic picture, including such difficult factors as demand, expansion in size or numbers of newspapers, the maintenance of import and other government controls over the newspaper industry in Australia, and the building up of reserve stocks to something approaching peacetime levels.

PAPERS OTHER THAN NEWSPRINT

A paper mill is now operating in Northern Tasmania, engaged in the production of papers other than newsprint. When first proposed it was thought this mill was undertaking a rather ambitious program in respect of quantity, quality and variety of paper to be produced. Operations were begun with adequate tariff protection and an assured market. As the mill was utilizing new materials and modern methods not before tried on a commercial scale, there were misgivings as to the future. However, it was demonstrated that papers of sorts could be

manufactured of qualities suitable for many purposes. The war undoubtedly provided the necessary opportunity to show the value of this mill to the community.

With the coming of peace and the freeing of trade from financial and quality control, there is a possibility that the mill will lose some of its trade. However, the portion lost should be preponderantly in high-grade papers, the manufacture of which had hardly been contemplated by the mill's promoters. Taking the long view, it is therefore likely that, in the post-war period of readjustment of Australia's paper trade, imports from Great Britain and Canada may show some declines as compared with pre-war totals, and that there will be a greater reduction in imports from European sources of the lower grades of paper such as writings; but until stocks of paper, especially newsprint, reach pre-war levels, imports should be at a fairly high rate.

WALLBOARDS

A new industry developed in Australia in recent years has been the utilization of waste products from cane-sugar mills to manufacture wallboards similar to Canadian pulpboards. This board, known to the trade as "Masonite", is variously treated. It is available as a soft board, sound and heat resisting, and as a hard-pressed board with greater structural strength. It is also available in several useful thicknesses. It is doubtful if any imported pulp or similar boards will find a market in Australia in the post-war period, excepting such as possess properties not found in the Australian products.

Small factories have also been developed during the war years to manufacture pressed boards for use in the manufacture of suitcases, etc., and in shoes as stiffening. It is considered probable that it will not be necessary for Australia to import any of this shoe-finishing material.

WALLPAPER

The question as to whether or not much wallpaper will be imported into Australia from Canada in the post-war

period depends on many factors. The bulk of Australia's pre-war imports originated in the United Kingdom. During the period 1941-42, when dollar conservation was being practised in Australia, importers of wallpapers depended almost exclusively on the United Kingdom manufacturers for supplies. In the closing months of 1942 wallpapers were not being freely offered from the United Kingdom, due to a shortage of shipping or to difficulty in getting raw materials. Steps were taken by Australian importers to ascertain if wallpapers could be obtained from Canada, but at time of writing this report the Australian Division of Import Procurement had not issued any permits to buy from Canada.

Textiles

In pre-war years Australia imported a large percentage of the finished textiles required by the "making-up" trades. Woollen materials were imported from the United Kingdom, and cottons and silks from the factories of the world, including Canadian.

Wartime necessities have compelled Australia to give considerable thought to the possibility of extending the production of certain essential fabrics. The introduction of import control to conserve dollars had the triple effect of decreasing sharply imports from North America and stimulating imports from Great Britain during the early months of the war, and of focussing attention on the ability of Australian mills to increase production and extend their range of products. A strong financial group began the production of cotton piece-goods, while production in the woollen section increased greatly, principally to meet the increasing demand for service uniforms and for clothing for essential workers. All sections of the woollen industry have shown noteworthy development, from the spinning of the yarn to the weaving of the cloth and the knitting or making-up of the garments.

By the middle of 1943, although production of certain war equipment was easing off somewhat, there was an increasing demand for clothing. The

demand was not only for clothing for Australian sailors, soldiers, airmen, and auxiliaries, but for the services of other sections of the British Empire and of the United States, Holland, and free France.

In addition to the development of the woollen industry, which must now be considered of permanent value to the Commonwealth, there has been expansion in the cotton and silk industries. Silk fabric production received an impetus from the demand for parachutes for the air forces. The cotton industries have shown great progress, particularly in yarns and towellings. The treatment of yarns for special purposes, such as mercerizing, is also on a wider scale than in the pre-war period.

The manufacture of cotton-braided covered wires in Australia is another advance in the use of cotton as a raw material and also indicates that, owing to wartime stimulus, Australians are acquiring new operative and technical skills and experience regarding another textile. Such newly acquired skills are now being devoted to the possibility of producing in Australia in the immediate future, certainly in post-war years, cotton fabrics required by manufacturers of rubber tires and other products.

Flax

Shortly after the outbreak of war, the Commonwealth Government took over from the manufacturers of ropes, twines, etc. the task of stimulating production of flax in Australia. With the increase in fibre production, there has been an increase in the manufacture of flax harvesting and working equipment. In pre-war years such machinery was required only in small volume, and users were content to import the machinery needed, principally from Belgium. The production of flax for fibre will probably be maintained at a level to ensure a supply for local needs for ropes, twines and perhaps fire hose.

Timber

Before the war the Australian market for Canadian timbers was an important factor in the economy of the Dominion,

particularly of British Columbia. The scarcity of shipping and the urgent need for timber in Great Britain, coupled with the determination of Australia to be self-supporting as far as possible, has resulted in a great decline in the imports of timber from Canada. At the same time there has been a noteworthy increase in the consumption of Australian timbers within the Commonwealth, due to service requirements.

Many Australians feel that there no longer is any need for the Commonwealth to import timber, particularly for building and case-making, but experts do not agree. As the Government's post-war housing plans take shape and the building of houses begins in the large numbers the Government believes necessary, then a return to Canadian timbers for interior trim, where softwoods are easier to work, can be expected.

There is not the same confidence expressed regarding Canadian wood products, such as handles. Although Australian manufacturers have been compelled to utilize Australian timbers, which are not entirely satisfactory, a certain skill in manufacture has been acquired. When hickory can freely be imported, there should not be any necessity for importing Canadian hickory handles for axes, hammers, etc. Incidentally, Australian pattern axes are also being made in larger volume than in pre-war years.

The post-war demand for timber for making cases is problematical. Those who used hemlock for case material for pre-war export trade can be expected to revert to hemlock after the war.

Tobacco

In pre-war years it was considered possible to encourage increased production of tobacco in Australia by means of import duties. By 1939 it was not yet clear whether the plan would achieve the results desired. As a large part of the raw tobacco required by Australian manufacturers was imported from the United States—a dollar country—when the time came to con-

trol imports, with a view to conserving dollars for the purchase of more essential commodities, it was natural that smaller quantities of tobacco would be imported. The Commonwealth Government, therefore, greatly encouraged Australian tobacco-growers.

This wartime stimulus will probably have a permanent effect on the tobacco industry of the Commonwealth and imports will be much smaller after the war than before. This change does not necessarily affect imports from Canada.

Proposed New Industries

Aluminium.—Several groups have studied the economic possibility of establishing an aluminium industry in Australia. The most serious attempt is in Wangaratta, in Northern Victoria, where access to state-owned hydro-electric power seems assured.

Tinplate.—Broken Hill Pty. Limited gave serious consideration to the establishment of a tinplate industry some years ago, and much attention is now being given the electrolytic method of plating as compared with the "hot dipping" method.

Plastics.—As a result of work carried out during the war, the establishment of an all-Australian plastic industry is assured. Practically all the raw materials required are now, or soon will be, manufactured in Australia.

Textiles.—Sheer necessity has directed attention to the desirability of furthering the development of the textile industry in Australia. Cotton goods will undoubtedly be manufactured in larger volume and range, and a calico-printing venture seems assured of success.

Clothing.—The necessity for clothing for Australians, in view of decreasing imports, has resulted in great expansion in the clothing industry.

An important development during 1943 was the establishment in country areas of textile and kindred industries designed to utilize mainly local female labour. By the end of 1943 so close

was the co-operation between the Federal Government, local authorities and private enterprise that a large measure of success was reported in the transfer of factories to the country. An extension of the decentralization scheme is regarded as of post-war advantage to the Commonwealth.

Export Trade

From 1940 to 1942, notwithstanding shipping difficulties, an impressive increase took place in the value and variety of articles exported from Australia to neighbouring countries until emergency conditions restricted avenues for export. Included among the articles for which Australia found temporarily increased export markets were non-alcoholic beverages, biscuits, confectionery, vegetable foodstuffs, ale, beer and spirits, cigarettes and tobacco, rabbit skins, tanning substances, apparel and attire, piece-goods and other textiles, manufactured fibres, paints and varnishes, machinery, rubber manufactures, leather manufactures, wood and wicker manufactures (including furniture), eucalyptus oil, perfumery and toilet preparations, and drugs and chemicals.

Australia's real emergence as an exporter of manufactured products is definitely contemplated, if it has not already taken place. This is indicated, for instance, by the conclusion of a trade agreement with Southern Rhodesia early in 1941 whereby, in return for preferential tariff treatment on Rhodesian tobacco, asbestos and chrome ore, Australia would receive preferential tariff treatment on such commodities as dairy utensils and machinery; cream separators; fencing material (including wire and wire-netting); agricultural machinery; mining machinery; iron and steel ingots, pigs, angles, plates and sheets; drill steel; tool steel; hoop iron; fertilizers; plywood; boots and shoes; sporting goods; and toys.

The retention of export markets accruing to Australia through the exigencies of war will depend solely upon

the competitive value of Australian products. If Australian secondary industries develop beyond the stage of supplying only domestic requirements, as seems likely, the policy of duty drawbacks and rebates, bounties and other aids to lowering export prices may be developed further. On the other hand, if Australia is unable, in spite of the measures indicated, to retain wartime export markets, it will become necessary, for the economic stability of the country as a whole, to resort to other measures in an endeavour to maintain industrial activity at a normal rate of progression. One of the most obvious measures, and one which has been held by many Australians since the outbreak of war as being overwhelmingly necessary, is the introduction of large-scale post-war immigration.

Summary

The future of industry in Australia will depend largely on the ability of Australians to meet competition, should trade ever become as free as it was before 1939. Australian workmen have undoubtedly developed great mechanical skills during the war years, and management has benefited greatly from the experience gained in mass production of a great variety of products since 1939. The combination of these two factors should ensure the success of Australian industry in the future, always provided that the economic position of the country remains sound with respect to wages and costs of living, and provided that a secondary export market for some of the manufactured products can be developed.

ECONOMIC, TRADE AND PRODUCTION NOTES

Australia

WHEAT AND FLOUR SITUATION

The Canadian Trade Commissioner at Melbourne cabled on June 15, 1945, regarding the wheat and flour situation in Australia as follows:—

Australian wheat stocks at the end of May totalled 50 million bushels. It is hoped to sow a total of 11,700,000 acres. Rainfall has been very good in Western Australia and Queensland, quite good in northern New South Wales and poor in South Australia, while in Victoria and Riverina drought conditions still prevail.

Another advance of 7 cents a bushel has been made on non-quota wheat in No. 6 Pool, making the total advance to growers 66 cents.

Flour mills in the eastern states are working one shift and in Western Australia and South Australia two shifts.

Argentina

RAILWAY FREIGHT AND PASSENGER TRAFFIC

Cargo transportation over the railroads during the first quarter of their fiscal year 1944-45 totalled 14,566,000

tons, an increase of 9.3 per cent over the 13,324,000 tons transported in the corresponding period of the preceding year. A comparison of the two periods also indicates that ton kilometres increased from 4,361,000,000 to 4,555,000,000, or 4.4 per cent.

The total number of passengers transported in the period was 58,752,000, an increase of more than 8,600,000, or 17.2 per cent, as compared with those transported in the corresponding period of the preceding year. Passenger kilometres increased from 1,281,000,000 to 1,539,000,000, or by 20.1 per cent between the earlier and later periods.

Total income for the first quarter of 1944-45 amounted to 138,170,028 Argentine pesos as compared with 103,478,861 pesos in the corresponding quarter of the preceding year.

Belgium

RECONSTRUCTION OF RAILWAYS

All of the 358 railway bridges destroyed in Belgium by the Germans during their retreat have now been rebuilt, and locomotives and cars are already being repaired in the central workshops at Mechlin, which had been

put completely out of service by Allied bombing, according to a statement by the Belgian Information Centre.

Work has also been resumed in the railway repair shops at Salzinne, which were sabotaged by the Germans before the liberation and the output there is the same as before the war.

During the winter, the workers repairing locomotives worked in the open air for 12 hours a day.

Before the war, the Belgian railways possessed 3,500 locomotives. Of these, only about 1,000 remained at the time of the liberation, and most of these were in bad condition. To-day there are 1,500. The number of cars decreased from 100,000 before the war to 55,000 at the time of liberation.

Brazil

AIR-LINE SERVICE DEVELOPMENTS

Approval was granted on February 22 for the formation and licensing of a new Brazilian air line, known as Arco Iris Viação Aérea S.A., capitalized at 3,000,000 cruzeiros, according to a report in *Foreign Commerce Weekly*. The company is to carry passengers, cargo and mail between both domestic and foreign points.

The Brazilian air line, Linha Aérea Transcontinental Brasileira, has been authorized to carry Brazilian mail in its planes, according to the Brazilian press. Operation of the air line at present is on an unscheduled basis, but under Brazilian practice mail is carried by the first plane leaving for a given point.

PLANS FOR CEMENT PLANT

A comprehensive plan for the construction of a cement plant in the State of Baia has been submitted to the Brazilian National Petroleum Council on behalf of certain industrial interests in Baia, according to a press report. The proposed plant would have an initial production of 120 metric tons of cement daily, which will be increased to twice that amount within 3 years.

It has been estimated that the proposed plant would require 32,000 cubic metres of gas daily, which can be supplied by the large Aratu gas field recently opened up. Installations will be so located that limestone from the neighbouring State of Sergipe will be readily accessible. Present plans indicate that the site will be about 30 miles from Salvador.

NEW SHIPS

The Brazilian shipping line, Lloyd Brasileiro, has announced plans to expand activities after the war through the purchase of a number of modern well-equipped merchant ships, according to press reports from Rio de Janeiro. Four ships, each of 4,500 tons gross, are being constructed for the company in Canadian yards, and plans include the ordering of six more ships, each with a gross tonnage of 7,500 tons, from Canadian builders.

These new ships will be powered by high-pressure steam turbines and will embody all modern features of ventilation, safety and comfort.

SAO PAULO'S COTTON CROP

Picking of Sao Paulo's 1944-45 cotton crop was begun in March. No official estimates have as yet been released on the crop, but it is expected to be inferior in both quality and quantity to that of the preceding year. Trade estimates are as low as 350,000 metric tons. During the month 127 metric tons were classified in the Sao Paulo Cotton Exchange.

From May 1, 1944, to February 28, 1945, Parana cotton classified in Sao Paulo amounted to 6,857 tons.

British West Indies

REHABILITATION OF TRINIDAD'S CACAO INDUSTRY

Rehabilitation of Trinidad's cacao industry is progressing and the number of applications for government cuttings of high-yielding strains already exceeds stocks available at propagating stations.

Under the government's program to aid the colony's cacao industry, 10 per cent of existing cacao lands will be inspected, for replanting with heavy-bearing and witchbroom-resistant trees.

Already 100,000 seedlings of the heavy-bearing variety are available and when they have been planted under the new process of close cultivation they will add 200 acres to the colony's cacao production.

Distribution of the seedlings is being determined by soil suitability, cultivation conditions, and the degree of witchbroom immunity at estates for government trees.

Local experiments with witchbroom-resistant varieties imported from South

America is reported to be encouraging, but Trinidad soil conditions must be improved by intensive fertilization if the imported trees are to survive.

Cuba

SEWERAGE SYSTEM PROJECTED

A new drainage and sewerage system is reported to be projected for the city of Mariana. It is estimated that the entire work, including the paving of streets and sidewalks, will cost US\$16,400,000. Funds are planned to be obtained through taxation of the property owners of the city and by borrowing.

CORRESPONDENCE WITH CZECHOSLOVAKIA, POLAND LITHUANIA, LATVIA, ESTONIA AND ITALY

The Secretary of State of Canada has given notice under the provisions of the Revised Regulations Respecting Trading with the Enemy (1943) that if and when communications are officially re-opened, persons residing in Canada may communicate with and receive communications from persons residing in Czechoslovakia, Poland, Lithuania, Latvia, Estonia and Italy with respect to personal, business, financial and commercial matters, but may not engage in actual trading. The purpose of this permission is merely to re-establish business contacts and exchange information. Banks and other

financial institutions may reply to requests for information from their depositors, and documents such as birth, death and marriage certificates, wills and other legal notices may be transmitted, but no action shall be taken to transmit any powers of attorney, proxies, payment orders or other legal documents without special permission from the Custodian.

Under date October 25, 1944, the Secretary of State issued a notice to the same effect regarding liberated areas of Italy. The present notice thus extends permission for such correspondence to include all of Italy.

TRADE REGULATIONS AND TARIFF CHANGES

Ireland

IMPORT QUOTAS FOR FOOTWEAR, HEADWEAR, AND METAL SCREWS

Mr. George Shera, Office of the Trade Commissioner at Dublin, reports that, by three Orders of the Irish Government, all dated May 29, 1945, and issued under the Control of Imports Acts, 1934 and 1937, quotas for the period July 1, 1945, to December 31, 1945, have been announced for the following items: ladies' felt hats (under 14s. 11d. each), 80,000 articles; certain

metal screws (slotted heads and tapered threads), 50,000 gross, of which 48,000 gross must be of Canadian or United Kingdom manufacture; leather boots and shoes, 600,000 articles.

In all cases the new amounts announced are the same as for the previous six months' period with the exception of the quota for footwear, which was formerly 1,250,000 articles. The reduction in this figure is occasioned by the hope that local production will be sufficient to meet the home needs as Irish and imported supplies

of the necessary raw materials become more plentiful. Should this not eventuate, however, an extension of this quota can later be made.

South Africa

VALIDITY OF IMPORT PERMITS AND CERTIFICATES OF ESSENTIALITY

The Director-General of Supplies of the Union of South Africa issued a notice in the Government *Gazette* of April 20, 1945, stating that the period of validity of an import permit and a certificate of essentiality issued after April 20, 1945, shall be that which is stated in the body of the permit or certificate, provided that if no period of validity is stated the permit or certificate shall be valid for an indefinite period.

The effect of this notice, it is explained, is to provide for the allocation of periods of validity of import documents, consonant with the current or prospective shipping and supply position in respect of the commodities concerned.

The notice further explains that it is intended that, in general, import documents issued after April 20 shall be valid for twelve months after the end of the shipping quarter instead of six months under the former regulations.

United Kingdom

RESTORATION OF SUSPENDED DUTIES

With reference to the announcement in the British budget speech of April 24 (see *Commercial Intelligence Journal* No. 2154, page 397) relating to the proposed restoration of United Kingdom customs duties which had been suspended during the war, Mr. J. A. Langley, Canadian Trade Commissioner in London, cables that these duties will be re-established as from July 1 next.

The duties in question, which are chargeable under the Safeguarding of Industries Act 1921 and the Import Duties Act 1932, had been removed, as a war measure, from various classes of goods, including machinery, tools, motor vehicles, certain electrical goods, various other metals in manufactured

or semi-manufactured forms, optical goods, scientific instruments, and some other articles. With only a few exceptions, notably motor vehicles, goods of these classes are entitled to exemption from import duty when shown to be Canadian products within the meaning of the Imperial preference regulations. The effect of the restoration of the duties, therefore, is to re-create the tariff preference formerly enjoyed by Canadian products of these classes, as compared with non-Empire products, with consequent need for furnishing the usual certificates of origin in order to claim entry as Canadian products. On Canadian motor vehicles the preference consists of a reduction in duty of one-third off the general tariff.

United States

IMPORT QUOTA FOR FOX FURS

A United States Treasury Decision of May 21, 1945, declared 52,176 as the number of silver or black foxes valued at less than \$250 each and whole silver or black fox fur skins (with or without paws, tails, or heads) which may be entered or withdrawn from warehouse for consumption, without reference to the country of exportation, during the period May 1 to November 30, 1945, inclusive.

Paragraphs 2, 3 and 4 of Article 2 of the supplementary trade agreement between Canada and the United States, signed December 13, 1940, allotted to Canada, for a 12-month period, 70,000 of such silver or black fox fur skins out of a total allowed from all countries of 100,000. Not more than 25 per cent of the yearly quota may be entered, or withdrawn from warehouse, for consumption during any one month. Paragraph 5 of Article 2 provides that any part of the total permitted quantity which has not been entered, or withdrawn from warehouse, for consumption prior to May 1 of each year may be allowed during the remainder of the quota period without reference to the country of exportation or the 25 per cent monthly limitation. A year ago the corresponding figure announced was 59,175.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 18, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, June 18, 1945, and for the week ending Monday, June 11, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 11	Nominal Quotations in Montreal Week ending June 18	Official Bank Rate
Great Britain	Pound	4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	— —
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1 —
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	— —
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2758	.3304 .2753	3½ —
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	— —
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½ —
Colombia	Peso	.9733	.6325	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6024	.7307 .6024	— —
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3 —
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	— —
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3 —
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½ —

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, *Director*

Addresses and territories of Canadian Government Trade Commissioners. This title should be used in addresses of letters, except where otherwise indicated.

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J. A. STRONG, Commercial Attaché, Canadian Legation, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Melbourne: F. W. FRASER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Sydney: K. F. NOBLE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

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B. A. MACDONALD, Commercial Secretary, Canadian Embassy, 32 Avenue Louise, Brussels.

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Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

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Chile

M. J. VEHSLER, Commercial Attaché, Canadian Embassy. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building, Santiago. (Territory includes Bolivia.) *Cable address, Canadian.*

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

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Peru

W. G. STARK, Commercial Secretary, Canadian Embassy. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland, and the Belgian Congo.) *Cable address, Cantracom.*

Cape Town: Trade Commissioner. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar, and Angola.) *Cable address, Cantracom. (Until further notice, trade inquiries should be addressed to the Johannesburg office.)*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighting, London.*

London: J. A. Langley, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes the South of England and East Anglia). *Cable address, Sleighting, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucom.*

London: Acting Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes the Midlands, North of England, and Wales.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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New York City: B. C. BUTLER, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: J. M. BOYER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TABLE OF CONTENTS

	Page		Page
Post-war Trade with Bermuda	549	Trade Regulations—Con.	
Re-allocation of Manpower in the United Kingdom	557	United Kingdom: Duty-free Admis- sion of Certain Machinery.....	566
Economic, Trade and Production Notes	559	Canada: Export Permit Regulations Amended	567
The Business Situation in the United States	564	Canada's Domestic Exports in May..	567
Trade Regulations and Tariff Changes: Australia: Amendments to Import Licensing Regulations	566	Foreign Exchange Quotations	570
		Commercial Intelligence Service.....	571

POST-WAR TRADE WITH BERMUDA

By W. D. WALLACE, *Office of the Canadian Trade Commissioner at New York*

In studying the trade of the Colony of Bermuda it should be borne in mind that it is a small populated group of islands not in any way connected geographically, climatically, politically, commercially or socially with the West Indies, and that the habits and customs of its people are not those of residents of the southern islands.

After more than five years of war, Bermuda entered 1944 in a sound financial position, with considerable numbers either in the armed forces or employed in work directly connected with the war effort at the British and American military bases or in occupations of a subsidiary nature, such as agriculture, unloading ships carrying vital supplies,

the distribution of food and equipment, and other activities connected with an all-out effort to help win the war.

Prior to the outbreak of war, the Colony's major industry was the tourist trade, which accounted for almost 80 per cent of its pre-war revenue. The war temporarily ruined this industry, but the economy of the country was saved by the expansion of the British bases and the building of the large United States bases on the islands.

Geography and Climate

Bermuda is a group of small coral islands, the most northerly islands of this type of formation in the world. Its

distance from New York is approximately 670 miles, and from Halifax, N.S., about 720 miles. The total area of the islands is 19·3 square miles.

The climate of Bermuda is sufficiently warm to favour the growth of tropical vegetation, but is free from extreme heat or oppressive humidity, on the one hand, and from snow and frost on the other. The winter temperature usually ranges from 55° to 65° (Fahrenheit); spring, 65° to 75°; summer, 80° to 90°; and autumn, 60° to 75°.

History and Government

The islands were first discovered about 1511 by a Spaniard, Juan de Bermudez, but it was not until 1609 that there was any settlement on them. In that year Admiral Sir George Somer's ship, "Sea Venture", en route to Virginia, was wrecked on a reef. The following year the Virginia Company had their colonization charter extended to include the islands. Shortly afterward they sold their charter to the "Government and Company of the City of London for Plantations of Somer's Islands", which became known in time as the "Bermuda Company." This company carried on until 1684, when they forfeited their charter to the Crown.

The "Order and Constitution of the Colony" under the Bermuda Company made provision for a certain degree of self-government, including the right to elect representatives and make laws. The first General Assembly was held on August 1, 1620. When the Government was returned to the Crown in 1684, the Commission to the first Royal Governor confirmed the grant of representative institutions, which have continued to the present time.

The laws of the Colony are enacted by a legislature consisting of a Governor, Legislative Council and House of Assembly. The Governor is assisted by an Executive Council of four official and three unofficial members. The Legislative Council consists of three official and six unofficial members, and the House of Assembly has 36 members, four of whom are elected by each of the nine parishes.

Education

Although the control of education in Bermuda is maintained by the Board of Education, it is noteworthy that there are no government schools, no denominational schools (with the exception of one unaided school), no free schools, and no mixed schools of white and coloured children. The system is one of private schools that receive government grants. In recent years all types of schools have depended more and more on government aid for all building improvements, salaries and equipment. Grammar- and high-school education is compulsory from the ages 7 to 13.

Population

According to the 1939 census, the total population of Bermuda was 31,661, consisting of 12,172 whites and 19,489 coloured. It is estimated that there are 557 planters on the islands, and that 1,844 people are engaged in commerce.

During the war there has been a large influx of military and naval personnel in connection with carrying on certain wartime duties and the establishing of the United States and Canadian naval bases on the islands.

Income Ranges of Population

There is no information available with respect to the income ranges of the population of Bermuda. However, it is estimated that for unskilled coloured labour income ranges between £100 and £120 per year, for white-collar labor approximately £400 per year, while the next group is probably earning between £500 and £800 per year. There is no indication of what the owners of various businesses are earning. The above estimates are for present-day incomes; prior to the war they would be almost 50 per cent below these figures.

Economy

The most important economic activity in Bermuda is the tourist trade, which is the mainstay of the Colony's economy in peace time. The islands

were becoming increasingly popular as a year-round resort, the number of visitors being nearly equal to those that stayed during the winter. Following is a record of visitors for the years 1934 to 1940: 1934, 65,509; 1935, 76,024; 1936, 80,586; 1937, 83,092; 1938, 82,062; 1939, 68,681; 1940, 25,521.

It is estimated that in 1938 tourists spent approximately £1,500,000 in the Colony, and 80 per cent of Bermuda's revenue was derived from the tourist trade. The war has resulted in a curtailment of the tourist traffic, but this loss was compensated for by the location in Bermuda of United States army, navy and air bases. This brought a heavy influx from the United States of officials and construction personnel and resulted in a heavy flow of United States capital into the Colony.

AGRICULTURAL OUTPUT

Bermuda's chief primary industry is agriculture, but it is confined chiefly to the production, during the winter season, of vegetables such as carrots, celery, tomatoes, onions, potatoes, and cabbage. There is a large production of lilies and other bulbs, and bananas are grown to a limited extent. However, the industry is not able to produce enough to meet the Colony's food requirements.

Prior to the war approximately 1,000 acres were under cultivation and 3,500 acres devoted to grazing, and the average value of production was about £95,000. During the war Bermuda has found it necessary to increase production of vegetables. The area under cultivation was increased to 1,500 acres by 1943, and the crops produced in that year were valued at £222,000. From 1938 to 1943 the value of animal products produced, mainly milk, eggs, and meat, increased from £121,500 to £218,000.

Secondary industry in Bermuda is of little importance, there being only a few firms engaged in manufacturing such commodities as perfumes and pleasure boats.

PROBABLE POST-WAR POSITION

As Bermuda has had no wartime industries, except the establishment of United States bases on the Islands, there will be few changes in the economy of the country. However, it is expected that the Colony will gradually return to its prominent position as a tourist resort.

National Income

Bermuda is without any form of direct taxation, most of its revenue being derived from customs duties. Total revenues from all sources for the years 1938 to 1944 were as follows: 1938, £460,002; 1939, £399,171; 1940, £476,966; 1941, £649,716; 1942, £692,128; 1943, £774,838; 1944, £801,571.

During 1944, interest amounting to £3,750 was paid on four local loans, totalling £75,000, that were raised in 1919, 1925, 1927, and 1930. The usual payments into the sinking funds of these loans were also made. A total of £16,516 must be added to the sinking funds in order to retire all the outstanding loans at maturity.

In 1941 and 1942 two loans, of £200,000 and £600,000 respectively, were raised in the Colony and the proceeds were turned over to the Imperial Government free of interest. The Colony has continued to pay the interest on these loans, amounting to £6,000 and £15,000 respectively in 1944.

At the close of 1944 Bermuda's financial position remained strong, but the Colony is faced with considerable capital expenditure which will have to be undertaken as soon as conditions permit. Bermuda's income in 1944 showed evidence of a downward trend, with indications that this trend would continue during 1945.

Cost of Living

Although dependent upon outside sources for the major portion of its needs, Bermuda's system of price control, established at the outbreak of the war, proved reasonably effective in checking increases in the cost of living. The cost-of-living index showed a slight decline during 1944, due to a

reduction in insurance rates on imports into the Colony and to lower foodstuff prices. These reductions were offset by higher prices for clothing.

On the basis June 1, 1939, equals 100, the following are the index figures for the cost of living on the dates specified: June 1, 1939, 100; December 1, 1941, 124; June 1, 1942, 132.5; December 1, 1942, 153.5; December 1, 1943, 156.26; December 1, 1944, 152.35.

Foreign Trade

The total values of Bermuda's merchandise trade in 1938 and 1939 were £2,040,679 and £1,817,192 respectively; for 1943 and 1944 the values were £2,740,309 and £2,573,965. Imports into Bermuda accounted for approximately 92 per cent of the foreign trade, and exports for 8 per cent. Prior to the war Bermuda was able to balance her adverse foreign trade position with income derived from the tourist trade, while during the war the income accruing from the military bases established in the Colony was the chief factor in enabling Bermuda to balance its unfavourable trade position.

Imports

In pre-war years the value of Bermuda's import trade averaged about £2,000,000 annually and was chiefly with the United States, the United Kingdom, and Canada. Imports from the United States accounted for approximately 45 to 50 per cent of the total value, from the United King-

dom for 25 to 30 per cent, and from Canada for about 16 per cent.

Since the outbreak of war there has been a slight increase in the total value of imports. However, imports from Canada have remained at about the same level as in pre-war years, while there has been a decided decrease in those from the United Kingdom. On the other hand, imports from the United States have shown a heavy increase and have accounted for approximately 60 per cent of the total. Part of this increase may be attributed to the fact that Bermuda has had to obtain supplies from the United States that were formerly imported from the United Kingdom, but the principal reasons were the building of the United States naval base and the shipping service provided from the United States, the only service linking Bermuda with North America after sailings from Canadian ports were discontinued.

IMPORTS BY PRINCIPAL COUNTRIES

Table No. 1 shows the values of Bermuda imports by countries of origin for two pre-war years (1938 and 1939) as compared with values for two war years (1943 and 1944).

IMPORTS BY COMMODITY GROUPS

With practically no industrial production and limited agricultural production, Bermuda, as stated previously, is dependent upon other countries for most of its supplies. Food and clothing account for nearly 30 per cent of the total value of imports. Next in im-

TABLE No. 1

Imports into Bermuda by Principal Countries

	1938		1939		1943		1944	
	Total	Per Cent of Total						
Total	1,906,689		1,751,536		2,581,756		2,465,678	
Canada	278,334	14.7	288,204	16.4	385,848	14.9	499,015	20.1
United Kingdom ..	559,716	29.4	427,183	24.4	309,344	12.0	199,862	8.1
United States ..	836,553	44.9	813,910	46.5	1,790,037	69.3	1,876,173	67.2
France	33,933	1.7	27,942	1.5	.....	.....	.....	.....
New Zealand	29,693	1.2	21,724	1.2	15,521	0.6	.....	.....
South America	45,158	2.3	58,714	3.3	2,369	0.1	13,004	0.5
Holland	16,436	0.8	13,829	0.7	.....	.....	.....	.....
Brit. West Indies	41,541	2.1	41,133	2.4	48,042	1.9	48,007	1.9
Dutch West Indies .....	.....	.....	11,495	0.6	.....	.....	.....	.....
Australia .....	.....	.....	.....	.....	17,479	0.6	7,660	0.3
Portugal .....	.....	.....	.....	.....	4,481	0.1	3,380	0.1

portance are building materials, alcoholic beverages, and agricultural supplies. Although the proportions of these imports to total imports have remained about the same during the war years, as compared with pre-war years, there has been a shift in the countries of origin.

tained a large share of its agricultural and food supplies from Canada.

Table No. 3 shows Bermuda's imports from Canada by commodities, together with percentages of the total imports credited to the Dominion for the years 1938, 1939, 1943 and 1944.

TABLE No. 2
Imports into Bermuda by Commodity Groups

	1938 £	1939 £	1943 £	1944 £
Agricultural supplies	85,048	88,661	107,546	143,883
Beverages, alcoholic	95,127	93,670	258,067	189,532
Beverages, non-alcoholic	9,070	7,222	40,885	29,095
Building materials	147,658	125,484	109,936	101,899
Clothing	257,712	205,015	481,657	426,260
Domestic animals	6,397	5,594	421	4,052
Drugs	52,791	44,922	83,051	81,134
Electrical supplies	95,107	101,575	46,127	50,004
Food	517,970	530,592	841,411	829,117
Fuel	42,562	51,302	125,522	130,152
House furnishings	87,248	75,653	48,372	59,970
Machinery	10,294	11,582	21,668	17,632
Marine supplies	28,226	25,012	5,000	6,885
Miscellaneous	261,340	213,211	310,942	270,905
Tobacco	31,573	31,237	35,651	30,951
Transportation	35,323	21,261	46,543	77,931
Parcel post	138,259	115,343	17,631	14,942
Dutiable packets	3,995	4,192	1,326	1,373

Table No. 2 shows the values of Bermuda imports by main commodity groups for the years 1938, 1939, 1943, and 1944.

IMPORTS FROM CANADA

Bermuda's imports from Canada have not shown much change during war time as compared with pre-war years. The Colony has always ob-

It will be noted that Canada is regularly the chief source of supply for the following commodities: boxes and box material, bran, animal feedstuffs, hay, laths, newsprint paper, cheese, smoked and pickled fish, flour, canned milk, potatoes, salt, and canned vegetables. During the war years the imports of some of these items have increased or decreased according to Canada's ability to offer supplies to Bermuda.

TABLE No. 3
Principal Imports into Bermuda from Canada

	1938		1939		1943		1944	
	Per Cent £ of Total							
Agricultural Supplies—								
Boxes and material	1,453	57.1	1,802	71.5	1,086	78.4	533	99.4
Bran	3,534	77.4	3,432	84.4	2,428	77.1	4,762	98.1
Cornmeal .....	.....	.....	.....	.....	.....	.....	1,221	59.2
Fertilizer	285	7.8	917	20.2	474	8.7	45	0.9
Grain, mixed	4,451	18.2	13,949	43.7	4,210	20.6	1,048	55.4
Dairy feed .....	.....	.....	.....	.....	3,147	100.0	10,856	37.2
Poultry feed (grain) .....	.....	.....	.....	.....	1,375	10.6	15,158	43.3
Poultry feed (mash) .....	.....	.....	.....	.....	2,603	40.1	3,951	70.5
Horse feed .....	.....	.....	.....	.....	.....	.....	441	100.0
Pig feed .....	.....	.....	.....	.....	.....	.....	712	100.0
Oats	19,255	80.1	19,712	97.1	35,067	99.8	28,439	96.5
Pollard	2,369	88.6	2,340	94.8	2,840	80.0	6,853	87.6
Hay	8,144	99.6	7,677	99.5	.....	.....	1,807	100.0
Potatoes, seed	2,694	99.6	4,596	86.8	5,746	84.5	6,132	92.1

Principal Imports into Bermuda from Canada—Con.

	1938 £ Per Cent of Total	1939 £ Per Cent of Total	1943 £ Per Cent of Total	1944 £ Per Cent of Total
Beverages—				
Malt liquor	567 1.6	1,062 3.1	10,320 13.5	10,365 18.6
Whisky	4,547 15.8	4,555 15.8	13,159 13.7	24,001 35.7
Building Material—				
Cement	1,418 14.5	1,360 18.6	...	391 4.7
Hardware	8,097 15.4	6,874 13.6	1,192 9.1	1,843 6.3
Lumber	6,296 21.7	5,356 17.8	10,407 26.2	6,088 24.7
Laths	423 83.9	364 100.0	477 100.0	...
Paints	5,356 35.3	3,842 35.5	9,123 29.5	9,187 46.3
Structural material	1,701 8.6	974 7.0	1,402 10.4	844 5.1
Clothing—				
Boots and shoes, leather	395 1.2	105 0.5	131 0.1	172 0.3
Boots and shoes, canvas	1,210 58.6	1,197 51.4	...	69 2.9
Cotton clothing	1,835 4.4	491 1.2	447 0.3	468 0.5
Cotton goods	982 6.1	758 4.7	272 0.6	434 1.2
Rayon clothing	1,400 14.3	1,124 10.9	1,126 2.0	811 1.1
Silk clothing	2,817 31.6	1,109 18.7	119 3.7	32 21.6
Drugs—				
Drugs	2,108 10.3	1,606 12.5	6,293 14.4	5,963 17.7
Perfumery	626 2.0	651 2.0	1,543 5.4	2,406 6.4
Surgical supplies	871 70.6	274 75.2	2,200 34.4	4,938 71.9
Electrical supplies	8,364 8.7	6,387 6.7	8,459 25.9	11,454 24.4
Fuel—				
Gas	726 26.8	659 23.7	52 1.7	117 3.1
Gasolene	1,880 34.7	857 7.9	...	...
House Furnishings—				
Carpets	422 4.2	596 8.4	...	311 5.6
Furniture	10,381 26.6	11,085 28.7	7,028 45.4	11,262 65.2
Stoves	287 4.6	75 1.7	1,302 25.7	51 0.4
Marine Supplies—				
Cordage	26 1.5	18 1.1	1,965 42.1	1,706 51.4
Transport—				
Bicycle supplies	128 0.7	85 0.7	...	161 2.7
Motor vehicles .....	...	...	602 2.4	26,621 78.7
Motor sundries	95 13.1	40 9.0	...	42 1.2
Railway supplies	733 5.9	829 13.0	521 13.6	250 3.3
Miscellaneous—				
Bottles	10 0.5	...	58 2.2	136 3.8
Bottling material	38 1.2	22 1.0	1,552 29.2	344 6.0
Brooms and brushes	906 23.4	783 22.3	1,619 17.1	803 12.8
Jewellery .....	...	...	908 11.1	2,417 22.7
Matches	8 0.3	5 0.2	1,620 21.3	84 22.2
Paper, wrapping	659 11.9	1,014 15.7	5,633 51.7	2,915 51.6
Paper, bag .....	...	...	833 30.0	898 37.0
Paper, tissue .....	...	...	508 5.4	255 4.2
Paper, printing .....	...	...	4,472 81.8	2,837 92.2
Soap	363 2.1	179 1.0	11,284 33.4	3,161 16.8
Stationery	835 5.2	2,212 13.3	1,693 13.5	4,693 21.7
Watches and clocks .....	...	...	2,969 36.2	1,648 23.6
Unclassified	6,267 4.9	5,639 7.1	8,655 8.5	6,234 6.3
Food Supplies—				
Bacon	2,695 24.7	1,987 19.4	139 0.8	...
Beef, canned .....	...	3,195 11.3	15,071 24.1	32,774 54.4
Beef, fresh	15,553 25.9	12,589 26.2	12,835 9.3	...
Beef, smoked	6,068 53.6	6,009 56.0	1,813 2.7	2,859 13.4
Biscuits	2,000 17.1	1,845 17.0	828 4.2	6,810 29.6
Butter	3,211 8.1	14,517 35.7	2,215 7.9	35,465 68.7
Cheese	5,897 68.7	5,535 69.7	4,150 24.8	4,189 36.9
Cocoa .....	...	...	316 45.3	282 37.9
Chocolate .....	...	...	...	3,303 29.8
Confectionery	1,435 7.9	2,993 17.8	7,681 28.7	10,270 33.8
Cereals .....	...	...	1,430 24.2	1,864 20.7
Eggs	9,094 62.2	5,311 50.5	43 0.4	...
Fish, canned	992 12.6	1,370 17.0	7,034 41.0	4,880 84.6
Fish, fresh	1,135 59.2	830 53.6	...	10,792 100.0
Fish, smoked	5,689 89.6	5,810 94.6	9,058 98.7	357 95.2
Flour, white	23,997 90.6	16,551 85.0	20,700 68.3	38,812 98.3

	1938 Per Cent £ of Total	1939 Per Cent £ of Total	1943 Per Cent £ of Total	1944 Per Cent £ of Total
Flour, whole wheat.....	2,976 30.8	2,512 26.0	7,394 40.5	7,214 98.9
Fruit, canned	2,333 6.0	2,700 7.9	89 0.3	4,207 28.2
Fruit, fresh	43 1.1	233 6.4	113 1.5	.....
Fruit, dried	12,661 22.9	18,108 26.4	7,238 16.6	9,612 18.6
Groceries	4,693 8.5	3,693 33.3	5,844 58.2	494 1.8
Hams	2,145 22.2	2,375 20.7	424 53.2	.....
Lard .....	.....	4,601 60.4	7,268 47.8	13,365 56.4
Jams, jellies	1,032 20.1	576 21.5	3,842 39.8	2,908 21.9
Milk, canned	12,035 53.3	15,733 60.7	40,725 68.9	17,386 49.8
Milk, powdered .....	.....	.....	3,603 63.5	1,554 58.4
Milk, condensed .....	.....	.....	387 100.0	3,882 36.4
Mutton, fresh	5,372 29.8	5,475 27.0	78 23.2	.....
Rolled oats .....	.....	.....	1,112 67.6	1,000 68.3
Ovaltine .....	.....	.....	1,019 100.0	3,214 100.0
Oil, salad .....	.....	.....	.....	922 52.6
Peas and beans, dried.....	209 9.7	113 4.0	152 4.1	.....
Pork, fresh	654 8.7	718 9.2	1,243 5.7	.....
Pork, pickled	751 44.3	1,439 56.5	984 18.9	1,704 85.1
Potatoes	2,603 88.8	3,928 88.3	.....	346 5.4
Poultry and game	8,467 29.4	6,502 27.6	1,268 3.4	1,418 4.9
Salt	765 56.4	1,009 69.8	1,532 66.9	817 50.8
Soup, canned .....	.....	.....	5,588 62.5	16,393 97.1
Tea	278 3.7	494 6.0	1,317 24.8	9,453 55.0
Vegetables, canned	9,309 69.0	9,403 51.9	16,481 70.3	6,360 68.9
Vegetables, fresh	1,654 9.6	2,367 14.2	.....	.....
Yeast	605 22.6	960 32.7	39 2.0	.....

As has already been mentioned Bermuda has practically no manufacturing industry and, apart from a few agricultural products, there is no domestic competition for Canadian supplies.

Exports

Bermuda's export trade is principally to Canada, the United States, and the United Kingdom. Exports of domestic products have rarely amounted to 50 per cent of the total value of Bermuda's exports. The greater proportion of this trade has been accounted for by re-exports of foreign merchandise, chiefly to the United States.

Table No. 4 shows the value of Bermuda's exports, domestic and foreign, by countries for 1938, 1939, 1943 and 1944.

During 1938 and 1939 the values of exports to Canada made up 18 and 24 per cent respectively of Bermuda's total exports. However, since the war there has been a sharp decline in the exports of both domestic and foreign merchandise to Canada, with the result that in 1943 these accounted for only 4.3 per cent of the total value and in 1944 for 7.5 per cent.

The United States has always been the principal market for Bermuda's exports and prior to the war took 60 to 65 per cent of the total. Although there has been a decline in the value of exports to the United States during the war, they have accounted for about 80 per cent of the total value of all exports.

TABLE No. 4
Bermuda's Exports by Countries

	1938			1939		
	Bermuda Produce £	Re- exports £	Total £	Bermuda Produce £	Re- exports £	Total £
Canada	12,048	12,115	24,163	14,150	14,018	28,168
United Kingdom	9,140	8,622	17,762	1,700	2,790	4,490
United States	17,004	70,938	87,942	22,615	49,097	71,712
British West Indies.....	372	3,265	3,637	538	10,712	11,240
Other	126	....	126	36	....	36
Total	38,690	96,940	133,630	39,039	76,617	115,656

Bermuda's Exports by Countries—Con.

	1943			1944		
	Bermuda Produce	Re-exports	Total	Bermuda Produce	Re-exports	Total
Canada	5,067	1,797	6,864	5,314	2,880	8,194
United Kingdom	10	16,701	16,711	9	19,850	19,859
United States	35,228	85,649	120,897	28,572	46,267	75,839
British West Indies	3	10,300	10,303	....	4,378	4,378
Other .....	....	3,948	3,948	....	1,017	1,017
Total	40,308	118,245	158,553	33,895	74,392	108,287

EXPORTS BY COMMODITIES

Bermuda's principal domestic exports are cut flowers, lily bulbs and vegetables. Prior to the war most of these commodities were shipped to Canada and the United States. However, due to the lack of shipping space coupled

risen from £347 in 1938 and £165 in 1939 to £5,000 in 1943 and £5,100 in 1944.

Tariff

The Bermuda Customs Tariff Act provides for a British preferential tariff and a general tariff. Imports from all

TABLE No. 5

Bermuda's Exports by Commodities

	1938	1939	1943	1944
	£	£	£	£
Cut flowers	19,539	16,917	12,033	2,294
Lily bulbs	4,746	4,854	26,932	31,106
Onions	88	100	....	....
Potatoes	3,518	2,086	....	....
Vegetables	11,056	14,155	7	495
Other	103	167	1,336	495
Re-exports of foreign goods	94,940	76,617	118,245	74,392
Total	133,990	115,656	158,553	108,287

with Bermuda's domestic food requirements, exports of these commodities, with the exception of bulbs, have shown a heavy decline.

Table No. 5 shows Bermuda's exports by commodities for the years 1938, 1939, 1943 and 1944.

Bermuda's exports of domestic products to Canada have never been large. Prior to the war the chief items were vegetables and potatoes. In 1938 the exports of vegetables to the Dominion were valued at £10,813, or 97 per cent of all the vegetable exports, and in 1939 at £13,347, or 93 per cent of the total value. Exports of potatoes to Canada in 1938 and 1939 accounted for 23 and 15 per cent respectively of the total. During the war years these exports declined sharply, and in 1943 and 1944 no vegetables or potatoes were shipped to Canada.

On the other hand, the value of exports of lily bulbs to Canada have

British Empire countries come under the preferential rates, while those from all other countries are subject to the general rate, which, in a large number of commodities, is 25 per cent higher.

Bermuda has no trade agreements with any country.

Import and Exchange Regulations

All imports into Bermuda have been subject to control since September, 1939, and it is necessary for the importer to obtain an import permit from the Bermuda Wartime Supplies Commission before placing orders outside the Colony.

On December 14, 1944, the Wartime Supplies Commission issued revised import regulations. By this revision the embargo established in May, 1942, on the importation from all sources of a long list of commodities was removed, and provision was made for the im-

portation, on a quota basis, of certain commodities, the purchase of which from dollar sources was formerly prohibited.

Under the Bermuda Defence Regulations of 1939, the Currency and Exchange Control Board was established. This Board, which operates along the same lines as the Canadian Foreign Exchange Control Board, controls all dealings in foreign currency, gold and securities in Bermuda.

Post-War Prospects for Canadian Trade

The length of time that will be required to restore Bermuda's tourist trade will depend almost entirely on when regular passenger steamship services from Canada and the United States can be resumed. As soon as the supply position permits, Bermuda will prepare for this business by building up her depleted supplies and by undertaking urgently needed construction. During the war it has been necessary for the Colony to permit the use of automobiles for military and other

essential requirements. Apparently the automobile is in Bermuda to stay and, if so, it will be necessary for the Colony to carry out an extensive road-building and repair program to handle this traffic. The present coral-built roads are unsuitable for automobile traffic.

Bermuda's imports from Canada will probably return to their pre-war levels and again comprise chiefly agricultural supplies and food products. New business for Canadian products will depend on Bermuda's requirements for building and construction materials and automobile supplies and equipment. The economy of the country will again depend on the tourist trade, and it will import whatever is necessary to meet its small domestic requirements and tourist consumption.

At present it is difficult to indicate just what shipping services will be available for Bermuda in the post-war period, but it is assumed that the Furness-Withy Lines will again operate their regular service from New York, and the Canadian National Steamship Lines will resume operations from Canadian ports.

RE-ALLOCATION OF MANPOWER IN THE UNITED KINGDOM

By R. P. BOWER, *Canadian Trade Commissioner at London*

The essential features of the United Kingdom plans for re-allocation are outlined in two White Papers, namely, Command 6548 September, 1944, and Command 6568 November, 1944, and also in the text of the speech in Parliament made by Mr. Bevin, Minister of Labour, on May 16, 1945. Both military and civilian manpower are affected.

The program is one of re-allocation rather than of demobilization. The basis is not on economic grounds, which might give first release to personnel needed for rehabilitation purposes, but is on humanitarian grounds on a formula which takes account of age and length of service. In theory, economic advantage has been sacrificed to human advantage. The scheme may conveniently be divided into two sections, namely, military and civilian.

Military

Male members of the Armed Forces will be released on the basis of age and length of service, with two months of service counting as one additional year of age. Thus a man who entered the Forces at the age of 24 and has had four years of service will be considered as 48 years old under the scheme. All personnel released under this formula will be designated Class A. There will be no qualifications as to occupation attached to their release, which will therefore not aid the labour problems of any particular industry.

A separate category, known as Class B, will not be released from the Forces, but will be transferred to certain specified civilian occupations after limited leaves and subject to recall to the Armed Forces. Transfers under Class B

will be very limited and will be made only after concrete evidence of need. Generally, only technical personnel not obtainable elsewhere will be considered. In view of the urgent need for building labour, it is expected that under the Class B scheme a number of skilled building labourers will be directed to specific employers in the building trade.

Men are still being called up for the Armed Services as they become eligible, so as to enable as many Class A men as possible to be released. The total number of men to be affected by the scheme in the first 12 months is expected to be nearly 750,000.

Civilian

With civilian as with military personnel, the releases will not necessarily aid industrial revival. The conditions of the re-allocation are more complex.

In general, freedom from labour controls will be extended to women, married or single, with household responsibilities, other women over 60 and men over 65, when such persons wish to retire from employment. Special consideration will also be given to women over 50.

Labour controls will be maintained with respect to all other persons, but a priority on transfer to other jobs will be extended to persons employed away from home for over three years, irrespective of the essentiality of their present jobs, and secondly to other persons employed away from home to the extent that present production objectives do not intervene. All such transfers are contingent upon the person transferred continuing his or her employment. Where labour actually becomes surplus in any plant, release from employment will be permitted subject to re-employment in some other industry.

Effect on Labour

It has been estimated that 750,000 persons will be released from the Armed Forces. All such persons will have a considerable period of leave with pay. Persons on leave are not covered by

the labour regulations during the period of their leave. It is uncertain how soon those released will be available to the labour market. Theoretically they could all continue unemployed for a period averaging at least two months and possibly longer.

On the other hand, a desire to become re-established ahead of the crowd may encourage them to seek work sooner and there is the additional fact that they can experiment with jobs during their leaves without being tied to them, whereas they are frozen in a job in which they are employed at the expiration of their leave (subject to the ordinary civilian transfer regulations). Whatever the net effect of these influences may be, this group does not constitute an immediate addition to the effective labour force.

The immediate effect of the change in the civilian labour force is likely to be a temporary reduction in total numbers employed. Many industries have had substantial numbers of persons over 60 years of age on their payrolls. Such persons are likely to leave very shortly after they are permitted to do so. The Government has, however, urged all persons who can reasonably do so to remain at work—whether frozen or not.

It may be expected, therefore, that there will be a reduction in the total labour force for the next few months, possibly returning to the level of May 15 by November or December (and perhaps in terms of efficiency above this level, due to a greater proportion of young and able-bodied persons), with a fairly rapid increase in the labour force both as to numbers and to efficiency from that date on. Overall production should therefore increase later in the year and the trend should rise fairly rapidly in 1946.

Effect on Exports

The effect upon exports will vary with different industries, but will tend to follow the same general pattern as industry.

Political sentiment favours the diversion of increased production into

civilian channels and not into exports. On the other hand, the interest of the United Kingdom Government in establishing overseas connections for the country's exports will probably result in the lion's share of the increased production of certain items being set aside for export. This is most likely to happen in capital goods items and least likely in cotton goods and food-stuffs.

Certain exports are of particular interest to Canada, so that the effect of these regulations on such industries are examined in more detail below.

COTTON

The cotton industry has suffered seriously during the war from loss of skilled labour (in part due to the location of mills adjacent to munitions plants), and it had at V-E Day a very high proportion of labour over sixty years of age. The industry was highly concentrated during the war, and compared with others the working conditions and wage rates are generally unsatisfactory.

The prediction is that the labour force will continue to decline through loss of present staff and will recover more slowly than the national average, owing to the relatively unattractive working conditions and somewhat low wage levels. Further the domestic supplies of cotton are extremely low and both political and humanitarian factors will probably dictate an increase in the domestic clothing ration as soon as at all feasible, necessitating higher domestic allocations of cotton yarn. Spinning is the worst segment of the industry in terms of present production and likelihood of recovery.

WOOL

This industry has suffered from the same factors as cotton but to a less marked degree. Mills which continued to produce after the limited concentration of the industry lost less labour to direct war production. It is indicated that significant expansion of production will be delayed until early 1946, when exports available to Canada are likely to increase substantially.

CAPITAL GOODS

Production of capital goods has recently been at about 35 per cent of pre-war levels and has consisted largely of repair and replacement parts. Within the next 12 months, it is predicted, production may increase to 110 per cent of the pre-war level, most of which increase will be in new equipment. This favourable situation is attributed to the fact that these producers were major manufacturers of munitions and have both the plant capacity and labour force available for civilian production.

MOTOR CARS

Increased production of motor cars in the United Kingdom should follow rapidly upon government authorization. A number of manufacturers have been producing limited quantities of passenger cars for military purposes all through the war, and their labour staffs will be available with military cutbacks on very short notice. Estimates are that by the middle of 1946 the United Kingdom will have produced approximately 200,000 passenger cars, one-half of which will be earmarked for export.

ECONOMIC, TRADE AND PRODUCTION NOTES

Argentina

PUBLIC WORKS EXPENDITURES

The Argentine Government has authorized the expenditure of 343,000,-000 pesos for public works projects during 1945 as compared with 310,-000,000 in 1944. Because construction by private enterprise has been severely

hampered by lack of essential materials, the Government plans to divert some quantities of materials from public works projects to private construction.

QUEBRACHO EXPORTS

Exports of quebracho extract totalled 121,100 metric tons during 1944 as com-

pared with 144,500 in 1943, says an Argentine publication. Exports of quebracho logs amounted to 200 tons, one-half of the quantity shipped in the preceding year.

OFFICE MACHINERY IMPORTS

Maritime imports of office machinery in 1944, with figures for 1943 in parentheses, according to preliminary figures, included 5,422 kilograms of accounting and bookkeeping machinery (44,765) and 11,967 kilograms of typewriters and parts (43,842).

Bolivia

PRODUCTION OF GLASS

Bolivia's single glass factory has rapidly increased production since reorganization in 1937. Annual production of all types of glass amounts to approximately 8,000 metric tons. The value in 1943 totalled US\$547,619. Annual production of containers of all varieties totals approximately 5,000,-000. About 2,000 tons of miscellaneous glass and glassware are produced each year. The industry supplies the domestic demand for glasses and simple water bottles, but imported glass of other types amounts to between 20 and 25 per cent of the total consumption.

This glass factory did not begin to flourish until imports were diminished by wartime restrictions and until a certain amount of protection was given it by the Government, which refused to sell foreign exchange for the importation of competitive glass products even though domestic production did not meet the demand.

Brazil

CHEMICAL PRODUCTION

Companhia Nitro Quimica Brasileira, in the Sao Paulo area, which was organized in 1935 for the manufacture of nitrocellulose rayon yarn, also produces a number of chemicals for rayon and paint manufacture. These include sulphuric acid, nitric acid, hydrochloric acid, ammonia, anhydrous ammonia, aluminum sulphate, calcium carbonate, sodium hyposulphite, potassium nit-

rate, potassium aluminum sulphate, ether, and sulphonated ether. The company also manufactures paints and varnishes and gun cotton.

Companhia Brasileira Rhodiaceta, also near Sao Paulo, produces the cellulose acetate consumed in its manufacture of rayon yarn.

Colombia

BUILDING ACTIVE

Despite shortages of important construction materials, building continued active in Medellin during the first quarter of 1945. A total of 456 building permits, valued at 2,551,150 pesos, were granted during the quarter. These included permits for four commercial buildings, three school buildings, one apartment house and many one-floor residences.

CEMENT OUTPUT TO BE INCREASED

The new cement plant "El Cairo", under construction near Montebello (Antioquia), about 55 kilometres south of Medellin, is expected to begin operation in 1946, according to *Foreign Commerce Weekly*. A paved road leading to the site of the plant is expected to be completed in June of this year. The cement company will be a part of the Empresa Siderurgica, which is at present the only steel-manufacturing plant in Colombia.

Whereas the total production capacity of cement factories now in operation in Antioquia amounts to about 350 tons a day, the capacity of the new plant is expected to be between 420 and 450 tons. Electrical cement-making machinery will include a 10,000-kilowatt main furnace and a 300-kilowatt stand-by furnace.

A complete cement-making plant has been purchased in the United States, and a portion of the 8,000 tons of machinery is already in Buenaventura awaiting transportation to Medellin; a second shipment is en route by steamer; and the remainder is being packed for shipment.

Cuba

PUBLIC WORKS PROJECTS

During the period from October, 1944, to March, 1945, the Government authorized the expenditure of US \$3,440,198 for public works projects throughout the islands.

Of the total amount, US\$990,000 was earmarked for hospitals; US\$270,000 for schools; US\$133,000, penitentiaries; US\$876,792, highways and bridges; US\$277,000, streets; and US\$893,406, miscellaneous projects.

INCREASED BUILDING ACTIVITY

Building activity was maintained at a high level during 1944. Many public works projects undertaken in previous years were completed, chief among which were the Military Hospital at Camp Columbia, Havana, and the Children's Tuberculosis Hospital, also at Havana. In addition, there was considerable speculative residence and apartment house construction.

According to a report appearing in the *Foreign Commerce Weekly*, there were 1,734 building permits issued in the metropolitan area of Havana in 1944. This represents an increase over the 1943 permits which totalled 1,552.

During 1945 further construction expansion is anticipated, especially if supplies of imported building materials become easier. The Cuban Government has proposed an extensive public works program for 1945, which includes irrigation projects and schools. In some instances, work has already started.

French Morocco

MARKET FOR DRESSES AND DUNGAREES

French Morocco is expected to be a market for considerable quantities of women's utility dresses and dungaree suits as soon as conditions permit their importation, states a foreign publication.

Iceland

PLANS FOR FERTILIZER WORKS

Iceland plans to spend 50,000,000 crowns on fertilizer works, according to an European chemical magazine. This

is part of a 5-year program approved by the Icelandic Parliament for the investment of 300,000,000 crowns in new industries.

Kenya

MANUFACTURE OF DEHYDRATED VEGETABLES

In the manufacture of dehydrated vegetables for the Middle East Forces, states a writer in *The Imperial Review*, Kenya has made her most valuable contribution to their food supplies. Two factories are established in the Kikuyu Reserve, one at Kerugoya, which by 1942 was producing at the rate of 600 tons per annum, and a larger one at Karatina, at which it is proposed to instal a hydro-electric plant. By May, 1944, these factories were taking the produce of nearly 10,000 African farmers, and were employing 5,000 Africans, 30 Europeans and 30 Asiatics. African farmers have been instructed in the cultivation of such—to them—unfamiliar vegetables as cabbages, carrots, beans, potatoes and paprika, and have been taught to raise the seedlings in nurseries, deal with pests, and lay out and manage irrigation areas.

These dehydration factories were designed by members of the Agricultural Department, and in the training of entirely unskilled Africans to handle complicated machinery, and the organizing of shifts to maintain a 24-hour day, a tremendous task has been most satisfactorily accomplished.

Mexico

RUNWAYS UNDER CONSTRUCTION

Two runways at the new airport under construction at Torreon are expected to be completed by the middle of June, according to recent information from that area published in the *Foreign Commerce Weekly*. These runways will be 1,500 metres long. Work is contingent upon the continued receipt of asphalt for surfacing the main runway. It is estimated that 18 or 19 more tank carloads of asphalt will be required for this project.

NEW INDUSTRIES

Two new chemical industries have been granted concessions by the Mexican Ministry of Finance, according to a foreign chemical journal.

Quimica Industrial Marineda, S.A., Gante will produce sodium arsenate and sodium nitrate, copper and lead arsenates, yellow arsenic sulphide, zinc stearate, sodium methylarsenate, and copper sulphate.

Salicylates, phenol and acetic acid will be made by Salico, S.A., Balderas.

Newfoundland

SALMON PRICES FIXED

The Commission of Government recently issued regulations fixing the prices to be paid fishermen for fresh salmon caught within the territorial waters of Newfoundland and Labrador. These regulations are designed to overcome the wide disparity in the prices paid for fresh salmon and, in fixing the prices, consideration was given to the present ceiling prices in consuming markets. The prices are as follows: (a) No. 1 quality dressed salmon weighing not less than 5 pounds, 15 cents per pound; (b) No. 2 quality salmon and salmon weighing less than the weights specified in paragraph (a) of this regulation: dressed salmon, 10 cents per pound; round salmon, $7\frac{1}{2}$ cents per pound.

The prices set out in the preceding regulation are net per pound and are exclusive of packages and ice. They shall include cost of delivery by the fishermen to the purchaser.

"Dressed salmon" shall mean salmon from which the head and entrails have been removed; "round salmon" shall mean salmon as they come from the sea.

An Order was also issued by the Commissioner for Supply, whereby the maximum retail price of fresh salmon shall not exceed 25 cents per pound for a whole salmon and 30 cents per pound if sold by the cut.

New Zealand

DEMAND FOR BICYCLES AND PARTS

There is an immediate market for bicycles and a large post-war demand is anticipated. Supplies have fallen far short of requirements, and there is also a shortage of replacement parts, particularly brakes, forks, handle bars, chain wheel sets, front hubs and pedals, according to the foreign press.

Panama

BUILDING ACTIVITY

Approved plans for private construction in Panama City and suburbs were valued at US\$2,668,752 during the first quarter of 1945, says the Panamanian press. This includes the construction of new buildings and repairs and additions to existing structures. Residential buildings will comprise most of the construction activity.

Southern Rhodesia

NEW FACTORY

Among the new industries established during 1944 is a new factory for the production of prefabricated building blocks for concrete houses.

Switzerland

HOUSING SHORTAGE

In addition to a normal need of an estimated 10,000 apartments annually, a shortage of approximately 25,000 apartments will have to be met after the war. According to a report in *Foreign Commerce Weekly*, the building of new houses during the past five years has been at a relatively low level.

British representatives are reported to be negotiating for the importation of Swiss prefabricated wooden houses.

Uruguay

MARKET FOR PAINT-MANUFACTURING MACHINERY

The potential market for paint-manufacturing machinery and equipment is estimated at US\$50,000, repre-

senting an annual non-recurring demand of US\$10,000, according to a report in the *Foreign Commerce Weekly*. The value of the machinery and equipment owned by the 10 paint companies is about US\$45,000. Approximately 50 per cent of this equipment is in need of replacement, and a number of companies have initiated or are contemplating the initiation of new or expanded manufacture of paints, inks or pigments.

Ball mills, roller mills and crushing and grinding equipment are the principal items of interest. There is said to be some demand for mixing tanks, varnish kettles, and stand-oil tanks, and interest is occasionally shown in packaging machinery such as container filling and closing equipment and labellers.

No specialized production of machinery and equipment for the industry exists in the country. A small proportion of equipment in use has been built by local metal-working plants which have copied models or illustrations of foreign-made units. In this manner, simple machinery such as mixers and grinding mills have been supplied to the domestic paint factories. Approximately 90 per cent of the total equipment is of German origin which came in around 1938. Small amounts have come from Great Britain and within the past two years an occasional mixer or labeller has been imported from Argentina.

Venezuela

FOREIGN TRADE IN 1944

Imports into Venezuela during 1944 are estimated at slightly more than 600,000 metric tons, reflecting improved shipping conditions and the heavy requirements of petroleum and construction activities. The volume of imports is greater than the combined totals for 1942 and 1943, and approaches the record total of 702,000 metric tons reached in 1939. The value of imports during the first nine months of 1944 amounted to 242,600,000 bolivares (U.S.\$74,963,000) as compared with

173,500,000 bolivares (U.S.\$53,612,000) in the corresponding period of the previous year.

Petroleum shipments of record proportions swelled total exports, the aggregate of non-petroleum items during the first nine months of the year declining approximately 15 per cent, principally as a result of reduced shipments of coffee. The total value of exports, adjusted to represent the market value of petroleum shipments, amounted to 562,900,000 bolivares (U.S.\$173,940,000) for the first nine months of 1944, or approximately 40 per cent more than the value of exports during the corresponding period of 1943. Shipments of crude petroleum and derivatives during these periods were valued at 514,000,000 bolivares (U.S.\$158,830,000) and 345,000,000 bolivares (U.S.\$106,600,000), respectively. Of the non-petroleum exports, which constitute less than 10 per cent of the total value for shipments to foreign markets, coffee and cacao represented 57 per cent, and gold, cattle, fruits and vegetables, fish products, mineral products and alcoholic beverages each represented less than 10 per cent.

RAPID EXPANSION OF PETROLEUM

Under the stimulus of military requirements, production of petroleum in Venezuela expanded rapidly during 1944. According to a report in *Foreign Commerce Weekly*, the average daily output for the year exceeded that for 1943 by 42 per cent. Total reserves and future productive capacity were also considerably increased by the acquisition of new concessions which more than doubled the existing acreage. The foregoing, together with extensive development work and the fees payable in connection with the conversion of the old concessions, prescribed in the 1943 Petroleum Law, resulted in expenditures in Venezuela by the petroleum industry (less the cost of imported materials) of 410,000,000 bolivares (U.S.\$129,300,000), or nearly double those of the preceding year.

THE BUSINESS SITUATION IN THE UNITED STATES

Condensed from the *Survey of Current Business*, published by the United States Department of Commerce.

April marked the close of a chapter in the economic history of the war. Pressure on aggregate munitions output is now a thing of the past. The sole question from the economic point of view is how rapidly munitions production will decline, and how well the release of resources can be dovetailed into expansion of the output of non-military goods.

The final stage of the period now closed, which dates from the last German counter-offensive toward the end of 1944, was marked by renewed efforts to expand numerous munitions programs on the basis that the two-front war would continue indefinitely. This tended to stabilize output with little changes in the distribution of resources between war and non-war uses by the continuing high military requirements for materials and manpower.

The decisive defeat of all German armies has ended the need for a large flow of supplies of other than maintenance goods, such as food, to the armies in Europe.

A reorientation with respect to future procurement plans in April, resulting in the cancellation of expansion ahead, reflects the new phase of war economy. What has happened to date is a series of individual cuts in procurement for later months without fixing the limits of the large reductions ahead in actual production and without translating these cuts into cancelled orders.

EXTENT OF REDUCTION

While general outlines of the period ahead are clear, the uncertainty that exists stems from the fluid state of the procurement program.

Cutbacks will take some time to work out, but the effect on productive activity will soon become apparent. Owing to large inventories of many intermediary products, the decline in the manufacture of parts and sub-

assemblies will tend to be more rapid than the reduction in deliveries of finished products.

Thus, even though the reduction in munitions output will be gradual in the coming weeks, the repercussions in manufacturing as a whole will be mounting rapidly. The prospect is that the real impact will be felt in the last half of the year.

RECONVERSION

The general policy on reconversion had not been fully formulated by the end of April. Some of the orders restricting the use of materials were modified and there was some easing in the issuance of spot authorizations in the tighter labour market areas. However, aside from the steps taken to expedite the retooling of the automobile industry, the actions that will involve substantial resumption of civilian output were still in the offing.

EMPLOYMENT TRENDS

Shifts in manpower utilization will form a prominent feature of the transition to a one-front-war production. The impact of declining munitions production will be seen in a shortening of the work-week, in an exodus of workers from war plants to other occupations, and in some withdrawals from the labour force as a result of retirements or to return to school and the home. The net result will be an easing of the labour situation and an increase in unemployment.

The wide swings of employment that have occurred in munitions industries while aggregate output was maintained are symptomatic of the employment incidence during the impending output decline.

It is evident that a sizeable release of manpower is in the offing. Some delays are anticipated in rehiring workers due to the time lag necessary for reconversion and the shortage of materials.

RECORD CONSUMER EXPENDITURES

In the light of impending economy changes, it is interesting to consider the status of consumer expenditures for goods and services which will become an expanding component of national expenditures.

Continuing the strong upward trend of the past three years, consumer expenditures for goods and services rose to an annual rate of 104 billion dollars during the first quarter of 1945, after adjustment for seasonal variations. This represents a gain of 4 per cent from the seasonally adjusted rate of the fourth quarter of last year, and of 9 per cent over a year ago.

Expenditures for services, which at the present time constitute about one-third of all consumer expenditures, increased 5 per cent in the first quarter of this year from a year ago. This increase was matched by a similar rise in the prices of services, which in effect suggests that consumers did not secure more "real" services for their expenditures and, if quality considerations are weighed, they probably got less this year. Expenditures for services include housing, home maintenance, household utilities, personal services, transportation, medical care, recreation, and miscellaneous services.

Consumer expenditures for goods, on the other hand, increased much more than those for services—11 per cent above the first quarter of 1944, and 5 per cent above the fourth quarter of 1944 on a seasonally adjusted basis. The striking feature of the increase is that about 90 per cent of the increase of 1.7 billion dollars was accounted for by the rise in expenditure for two major items of consumption—food and clothing (including shoes).

These are the very areas where certain goods, particularly the low-priced items, have been more difficult to obtain this year and in which trading-up, either forced or otherwise, was prevalent. Does the dollar increase in consumer expenditures for goods this year indicate that more goods were

available? No definite answer is available. Data on physical quantities of goods purchased are not available except for a few commodities. Under such circumstances, a method which is very frequently resorted to in evaluating the changes in physical quantities is to adjust the dollar expenditures for price changes.

RECONVERSION PERIOD SPENDING

The fact that consumer expenditures are currently at record levels raises the question of their probable volume in the reconversion period. Great reliance has been placed by many on the stimulating effects of deferred demands for such consumer durables as automobiles, radios, refrigerators, and other electrical appliances.

It is true that pent-up demands are large and that consumers have accumulations of savings to make them effective. The areas where such demands will have their greatest impact, however, are rather limited. They are concentrated largely in automobiles and parts, in furniture and house furnishings, and materials required for building.

There are obvious deferred demands to be satisfied in certain non-durable goods areas such as shoes, men's clothing, and certain types of women's apparel. Once military needs are cut, these demands will be quickly met. It may be noted that consumer expenditures do not include expenditures on new houses, which are considered as part of total private investment.

While deferred demand for consumer durables will be an important element in the maintenance of a high volume of consumption, its effects must not be exaggerated. Under the most favourable conditions these expenditures account for slightly more than one-eighth of total consumer expenditures.

It is clear that business must be dependent both on the transition period and after, not only on a large volume of durable goods demand, but also on purchases of the much larger total of non-durable goods and services and.

importantly, new housing which is not included in the category of consumer expenditures.

Pedal Power Helps Run Netherlands Shoe Machinery

Shoes, one of liberated Holland's greatest needs, are being turned out on machines driven by "leg-power" in the famed shoe district, the "Langstraat," a series of communities along the road running from 'S Hertogenbosch to Geertruidenberg, parallel to and just south of the Maas River, according to a report in the *Foreign Commerce Weekly*.

The Germans destroyed the factories when they were forced out of this area last fall, and they tried to sabotage the machines. But within a week after liberation was effected, some of the famous factories were operating again, and a limited number of shoes is being constantly turned out for distribution.

The machinery was, of course, electrically driven, but the power stations had also been blown up by the retreating Nazis. So experts decided to try to achieve emergency operation of the heavy machines by hand and drive the smaller machines by hooking them up to rear wheels of stationary bicycles.

TRADE REGULATIONS AND TARIFF CHANGES

Australia

AMENDMENTS TO IMPORT LICENSING REGULATIONS

Mr. K. F. Noble, Acting Canadian Trade Commissioner at Sydney, writes under date June 5 that, effective from February 1, 1945, the former comprehensive control of all machine-tool exports from the United Kingdom is replaced by a selective control applicable to designated types of wood- and metal-working machine tools, including automatics, borers, gear machinery, lathes, grinders, presses, sheet metal and plate-working machines (power-driven) and welding machines. All second-hand machine tools have been removed from export control.

Except for the machine tools still subject to control, Australian importers no longer require Australian Government sponsorship of their orders to obtain export permits from the United Kingdom authorities. There is no variation in the Australian import licensing provisions as they apply to machine tools, and in considering applications for import licences the Division of Import Procurement, in consultation with the Ministry of Munitions, will still have regard to such factors as essentiality, availability of shipping space, etc.

The only other recent changes of interest are that corsets and brassieres

from all countries, for which no quotas were required, have now been placed under administrative control as have imports from sterling countries of files, steel balls for bearings and roller and ball bearings.

United Kingdom

DUTY-FREE ADMISSION OF CERTAIN MACHINERY

With reference to the notice in *Commercial Intelligence Journal* No. 2160 (June 23, 1945), page 545, respecting restoration of duties on a wide range of goods imported into the United Kingdom, the following press notice dated June 13 has been forwarded by Mr. J. A. Langley, Canadian Trade Commissioner in London:

Under the Import Duties (Exemptions) No. 3 Order, 1945, dated 11th June and the Additional Import Duties No. 2 Order, 1945, dated 12th June, machinery and parts thereof and accessories to machinery or to parts of machinery which have been the subject of a wartime exemption from duty under the Import Duties Act will as from 1st July next be liable to duty.

It will, however, be open to any importer who has, or is applying for, an import licence, to apply for a licence to import a consignment without payment of duty on the ground that similar machinery is not, for the time being, procurable in the United Kingdom. Applications should be addressed to the Board of Trade, Import Licensing Department, 1-6, Tavistock Square, London, W.C. 1.

Importers should note that a duty-free licence cannot be granted unless applica-

tion has been made and received in the Board of Trade, before the goods in respect of which the application is made reach this country.....

While machinery and parts and accessories are entitled to duty-free admission if satisfactorily shown to be Canadian products, a licence granted under the foregoing arrangement would provide exemption from duty in cases where it is difficult or impossible to establish Canadian origin.

Canada

EXPORT PERMIT REGULATIONS AMENDED

By Export Permit Branch Order No. 118, effective June 22, 1945, Sub-

section (2) of Clause 31(a) of the Export Permit Regulations is amended by the inclusion therein of the Department of Trade and Commerce, so that goods ordered, diverted or exported by the Department of Trade and Commerce are exempted from the requirement of an export permit when shipped out of Canadian ports.

By Export Permit Branch Order No. 119, effective June 27, 1945, Clause 6 of the Export Permit Regulations is amended in respect of live or dead poultry and meats of all kinds, valued at \$5 or less, by the requirement of an export permit for all shipments thereof when cleared through any Canadian port of exit.

CANADA'S DOMESTIC EXPORTS IN MAY

The value of Canada's domestic merchandise exports in May was \$315,-192,000, a decline of 14.4 per cent from the figure for May, 1944, when supplies were being shipped abroad in record volume in preparation for the Allied landing on the beaches of Normandy. The May, 1944, total of \$368,357,000 was an all-time monthly high. Supplies intended mainly for war purposes were exported in May this year to the value of only \$127,672,000 as compared with \$170,074,000 in May of last year, accounting for the great bulk of the decline in the total value. For the first five months of the present year, exports of merchandise produced in Canada were valued at \$1,395,552,000 as against \$1,403,110,000 for the corresponding period of 1944, a decline of one-half of one per cent.

The United States was the leading destination of Canadian exports in May, exceeding shipments cleared for the United Kingdom by a comparatively small amount. May exports to the United States were valued at \$117,228,000 as compared with \$131,-907,000 in May of last year, and for the five months ended May the value was \$505,914,000 as against \$526,538,-000 for the like period of 1944.

Exports to the United Kingdom were valued at \$115,574,000 as compared

with \$140,249,000 in May, 1944, and for the five months ended May the value was \$484,147,000 as against \$524,832,000. Exports to British India continue to advance, the May total amounting to \$23,039,000 as compared with \$17,892,000, and for the five-month period to \$124,210,000 as compared with \$57,547,000 a year ago.

The values of commodity exports to other leading countries in May were as follows, totals for May, 1944, being shown within parentheses: Italy, \$12,239,000 (\$19,864,000); Russia, \$10,392,000 (\$13,155,000); France, \$4,-868,000 (nil); Egypt, \$4,284,000 (\$11,-093,000); Newfoundland, \$3,741,000 (\$4,460,000); British South Africa, \$2,151,000 (\$1,425,000); Trinidad and Tobago, \$1,437,000 (\$2,121,000); New Zealand, \$1,250,000 (\$56,000); Australia, \$1,087,000 (\$7,771,000); Belgium, \$1,837,000 (nil); Brazil, \$1,454,000 (\$517,000); Greece, \$1,534,000 (\$1,-112,000).

Agricultural products were exported to the value of \$76,919,000 as compared with \$90,991,000 in May of last year. The total value of wheat exported decreased to \$40,303,000 from \$45,060,-000, and of wheat flour to \$9,584,000 from \$10,311,000. The value of animal products shipped abroad declined to

\$33,913,000 from \$40,332,000; meats fell to \$16,133,000 from \$27,823,000, while fishery products rose to \$6,288,-000 from \$3,884,000, and eggs to \$5,281,000 from \$2,552,000.

Exports of wood and paper products advanced to \$39,269,000 from \$36,040,-000 in May, 1944. The value of planks and boards exported rose to \$6,746,000 from \$6,034,000, wood-pulp to \$10,190,-000 from \$9,224,000, and newsprint paper to \$14,684,000 from \$14,106,000. Exports of motor vehicles and parts

declined to \$35,474,000 from \$54,660,-000, while chemicals advanced to \$13,324,000 from \$8,557,000.

Statistical Summary

The following tables, compiled by the External Trade Branch, Dominion Bureau of Statistics, show Canada's domestic exports (excluding gold) by principal countries and commodities for the month of May and the five months ended May, 1944 and 1945:—

Exports by Principal Countries

	Month of May 1945	1944	Five months ended May	
			1945	1944
		Thousands of Dollars		
All countries	315,192	368,357	1,395,552	1,403,110
Empire countries	154,044	180,223	687,484	662,785
British East Africa	210	371	1,403	1,821
British South Africa	2,151	1,425	12,027	9,079
Southern Rhodesia	319	46	983	354
British West Africa	52	442	490	1,611
Bermuda	123	249	1,075	1,303
British India	23,039	17,892	124,210	57,547
Ceylon	840	231	2,943	1,613
British Guiana	717	1,189	2,953	2,977
Barbados	414	79	1,366	1,112
Jamaica	887	1,592	5,617	5,303
Trinidad and Tobago	1,437	2,121	7,131	6,645
Other British West Indies	489	348	2,373	2,110
Newfoundland	3,741	4,460	15,048	14,351
Australia	1,087	7,771	12,740	20,707
Fiji	93	...	116	188
New Zealand	1,250	56	6,178	4,585
Palestine	153	94	830	373
Eire	1,224	1,456	3,572	4,688
United Kingdom	115,574	140,249	484,147	524,832
Foreign countries	161,148	188,134	708,068	740,325
United States	117,228	131,907	505,914	526,538
Argentina	516	257	2,058	1,675
Belgium	1,837	...	2,849	...
Belgian Congo	104	92	283	831
Brazil	1,454	517	4,255	2,108
Chile	182	192	795	490
China	1	47	24	7,852
Colombia	456	318	1,466	775
Cuba	271	146	1,778	1,331
Czechoslovakia	168	...	575	...
Egypt	4,284	11,093	21,767	50,655
France	4,868	...	26,064	...
French Possessions	326	3,973	5,588	13,181
Greece	1,534	1,112	4,569	3,757
Guatemala	50	22	146	145
Haiti	30	5	219	190
Iceland	743	272	1,772	1,158
Iraq	73	777	660	2,889
Italy	12,239	19,864	73,262	69,527
Mexico	541	491	3,008	2,442
Netherlands West Indies	83	36	307	121
Nicaragua	33	10	142	92
Panama	46	57	313	265
Persia	186	12	831	334
Peru	246	145	892	571
Poland	565	...	2,373	...
Portugal	175	13	342	214
Portuguese Africa	20	3	637	121
Russia	10,392	13,155	30,252	37,577
San Domingo	43	24	247	181
Spain	17	...	562	...
Switzerland	692	2,756	5,768	5,501

Exports by Principal Countries—Con.

	Month of May		Five months ended May	
	1945	1944	1945	1944
			Thousands	Dollars
Turkey	113	56	355	6,548
Hawaii	270	90	1,716	470
Puerto Rico	121	168	986	737
Uruguay	159	105	618	557
Venezuela	501	242	1,445	732
Yugo-Slavia	125	....	936	....

Exports by Principal Commodities

	Month of May		Five months ended May	
	1945	1944	1945	1944
			Thousands	Dollars
Total domestic exports*	315,192	368,357	1,395,552	1,403,110
Agricultural products	76,919	90,991	238,215	303,666
Fruits	648	274	4,611	1,845
Vegetables	1,393	1,137	10,873	4,805
Grains	50,046	62,655	122,142	201,080
Barley	3,863	3,717	10,639	10,538
Wheat	40,303	45,060	89,736	163,008
Wheat flour	9,584	10,311	39,438	39,902
Alcoholic beverages	2,803	1,417	12,387	7,854
Seeds	1,622	7,808	10,907	15,037
Animal products	33,913	40,332	164,275	156,994
Cattle (except for stock)	877	699	2,402	2,068
Fishery products	6,288	3,884	26,507	22,197
Furs (chiefly raw)	1,888	1,597	12,925	14,907
Hides, raw	23	62	103	263
Leather, unmanufactured	380	221	1,625	1,242
Leather, manufactured	203	287	1,223	1,190
Meats	16,133	27,823	79,703	93,736
Butter	170	288	838	799
Cheese	359	670	4,463	5,412
Eggs	5,281	2,552	23,018	7,007
Fibres and textiles	4,291	4,065	29,347	19,141
Cotton and products	385	534	5,159	2,581
Flax and products	136	192	762	1,133
Wool and products	589	789	8,760	8,069
Artificial silk and products	1,367	597	4,845	2,603
Wood and paper	39,269	36,040	180,339	161,372
Planks and boards	6,746	6,034	33,738	28,049
Timber, square	49	62	261	227
Shingles	663	638	3,316	2,757
Pulpwood	1,253	721	6,357	6,424
Wood-pulp	10,190	9,224	42,837	39,042
Paper, newsprint	14,684	14,106	66,796	61,622
Iron and products	59,719	92,738	305,800	334,959
Pigs, ingots, etc.	2,435	1,614	8,633	6,363
Rolling-mill products	1,181	858	5,087	3,306
Tubes and pipes	285	309	1,303	1,084
Farm implements	1,924	1,259	7,756	5,885
Hardware and cutlery	271	481	1,551	1,505
Machinery, other than farm	1,884	3,312	9,795	9,146
Motor vehicles and parts	35,474	54,660	192,360	195,895
Non-ferrous metals (excluding gold)	29,891	31,884	171,942	134,612
Non-metallic minerals	4,736	4,639	22,310	22,052
Coal	413	708	2,203	2,381
Petroleum	267	136	2,059	1,038
Stone	1,401	1,456	6,124	7,874
Chemicals	13,324	8,557	57,622	39,897
Acids	370	217	1,397	865
Fertilizers	2,921	2,076	12,714	11,240
Soda compounds	565	185	2,666	1,686
Miscellaneous	53,129	59,109	225,702	230,415
Electric energy	687	746	2,727	3,210
Films	144	226	987	613

* May totals include exports of items mainly for war purposes, such as tanks, military vehicles, shells, guns, metals, explosives, aircraft, Red Cross supplies and Canadian army stores, valued at \$127,672,000 in May, 1945, and \$170,074,000 in May, 1944. The percentage of war materials in other items cannot be ascertained.

SUBSCRIPTION RATES

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Inquiries for back copies or additional copies, and requests for changes in address, should be made to the same address.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 25, 1945

The Foreign Exchange Division of the Bank of Canada has furnished the following statement for the nominal closing quotations for all the principal exchanges for the week ending Monday, June 25, 1945, and for the week ending Monday, June 18, 1945, with the official rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 18	Nominal Quotations in Montreal Week ending June 25	Official Bank Rate
Great Britain	Pound	.4.866 Buying Selling	\$4.4300 4.4700	\$4.4300 4.4700	2
United States	Dollar	1.0000 Buying Selling	1.1000 1.1100	1.1000 1.1100	1
Mexico	Peso	.4985	.2284	.2284	4
Jamaica	Pound	4.8666 Bid Offer	4.4200 4.4800	4.4200 4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245 Official Free	.3304 .2753	.3304 .2764	3½
Brazil	Cruzeiro (Paper)	.1196 Official Free	.0673 .0575	.0673 .0575	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217 Official Export	.0574 .0444	.0574 .0444	3-4½
Colombia	Peso	.9733	.6325	.6325	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay	Peso	1.0342 Controlled Uncontrolled	.7307 .6024	.7307 .6024	—
South Africa	Pound	4.8666 Bid Offer	4.3862 4.4590	4.3862 4.4590	3
Egypt	Pound (100 Piastres)	4.9431 Bid Offer	4.5380 4.5906	4.5380 4.5906	—
India	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666 Bid Offer	3.5300 3.5760	3.5300 3.5760	3
New Zealand	Pound	4.8666 Bid Offer	3.5440 3.5940	3.5440 3.5940	1½

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572
CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

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I N D E X
 TO THE
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VOL. LXXII

A	PAGE	PAGE
Advertising		
South Africa, facilities.....	445	
Argentina		
Agricultural machinery, imports in 1938-43	385	
Asbestos fibre, imports in 1938-43.....	386	
Bronze powder, imports in 1938-43.....	388	
Calcium carbide, imports in 1938-43.....	387	
Consular fees, exchange rate for collection	525	
Copper and brass, imports in 1942.....	388	
Corn crop estimate, 1944-45.....	212	
Exports in 1943..... to Canada, 1938-42.....	360	
Export trade in 1944.....	391	
Ferro-alloys, imports in 1940-43.....	388	
Furs, imports in 1938-43.....	390	
Grain crop estimate, 1944-45..... purchase programs	84	
Imports in 1943..... from Canada, 1939-43.....	353	
Industrial production	336	
Loom needles, imports in 1938-43.....	388	
Lumber, imports of softwoods in 1938-43	387	
Market conditions, post-war	333, 353, 408	
prospects for Canadian products, post-war	309	
National income in 1941.....	59	
Newsprint, imports in 1938-43.....	384	
Paper, imports in 1938-43.....	385	
Potatoes, market possibilities for seed.....	386	
Public works, expenditures authorized	559	
Quebraco, exports in 1944.....	559	
Railway freight and passenger traffic..	542	
Refractory materials, consumption.....	387	
Reports of Commercial Attaché J. A. Strong, Buenos Aires.	82, 148, 333, 353, 383, 408, 479	
Representation in the market.....	409	
Sales organization	409	
Shovels, imports in 1938-43.....	388	
Trade policy	410	
Wattmeters, imports in 1938-43.....	389	
Wood-pulp, consumption	385	
Asbestos Fibre		
Argentina, imports in 1938-43.....	386	
Australia		
Agricultural conditions in 1943..... production, wartime	346	
Air services, post-war plans.....	233	
Business conditions, effect thereon of exodus of service men.....	108	
Economic conditions in 1943.....	11, 29	
Exports in 1943-44..... July-Dec., 1944	35	
Flour, supply situation.....	80, 253, 364, 542	
Foreign trade in 1943-44..... July-Dec., 1944	119	
Hydro-electric development	60	
Import licensing regulations amended	197	
Imports, July-Dec., 1944.....	391, 566	
Incomes, increase in personal.....	274, 275	
Industrial development	61	
plans for post-war.....	493, 519, 536	
Industries, post-war policy for secondary	149	
Lend-lease, reciprocal	444	
Manpower situation	60	
Manufactures, production	108	
Meats, production	192	
Motor vehicles, plans for the industry	35	
National income in 1944.....	234	
Naval supplies for British Pacific fleet	233	
Newsprint, consumption	327	
rationing regulations relaxed.....	233	
Public works program, post-war.....	471	
Railway gauge unification.....	83	
Real estate transactions in New South Wales in 1944.....	84	
Reports of Trade Commissioner Frederick Palmer, Melbourne.....	298	
Reports of Acting Trade Commissioner K. F. Noble, Sydney.....	11, 29, 493	
Reports of Acting Trade Commissioner K. F. Noble, Sydney.....	519, 536	
Retail profit trends	295	
Savings, wartime	346	
Shipbuilding schedule revised	35	
Sugar, production	327	

	PAGE	PAGE
Australia—Con.		
Tobacco, production possibilities.....	298	
Tractors, import subsidy increased....	61	
Vegetables, dehydrated, production..	298	
War expenditure reduced.....	60	
Wheat, supply position.....80, 170, 253, 364, 480, 542		
Wool Consultative Council established	234	
Wool, exports reduced.....	233	
purchase plan extended.....	35	
Automobiles		
<i>See Motor Vehicles</i>		
B		
Bahamas		
<i>See British West Indies</i>		
Barbados		
<i>See British West Indies</i>		
Belgian Congo		
Footwear, production	411	
imports restricted	329	
Industrial development in war time..	327	
Belgium		
Machine tools, supply situation.....	327	
Railways, reconstruction begun.....	542	
Bermuda		
<i>See British West Indies</i>		
Blueberries		
United States, ceiling price established for frozen from Canada..	382, 457	
Bolivia		
Foreign trade in 1943.....	36	
Glass, production	560	
Market prospects for Canadian products, post-war	309	
Box Shooks		
India, market	190	
Peru, imports and market.....	208	
Brass		
Argentina, imports in 1942.....	388	
Brazil		
Air services, proposed expansion.....	543	
Cement plant, proposed construction.	543	
Chemicals, production	560	
Cotton, consumption in State of Sao Paulo	437	
Development, economic, ten-year plan prepared	207	
Electric power, network planned.....	365	
Exchange conditions	177	
Foreign trade, Jan.-June, 1944.....	170	
Highway, proposed construction.....	411	
Import licensing regulations imposed.	109	
Brazil—Con.		
Lumber, exports of pine.....	365	
Market prospects for Canadian products	309	
Motor vehicles, proposed production.	411	
Ships, new construction and purchases	543	
British Guiana		
<i>See British West Indies</i>		
British Honduras		
<i>See British West Indies</i>		
British West Indies		
Bahamas, Barbados, etc., import control requirements	89	
Bahamas, films (cinema), duty changed	280	
Barbados, foreign trade in 1943.....	498	
imports in 1943, detailed.....	501	
trade with Canada in 1943.....	500	
wooden crates, market conditions..	168	
Bermuda, exports, 1938-44.....	555	
foreign trade, 1938-44.....	552	
import restrictions relaxed.....	43	
imports, 1938-44	552	
from Canada, 1938-44.....	553	
trade possibilities, post-war.....	549	
British Guiana, bulk purchasing regulations modified	372	
cardboard containers, market conditions	168	
economic conditions in 1944.....	103	
imports from Canada and the United States, validity of licences....	65	
iron and steel products exempt from bulk-purchasing regulations	372	
market prospects for Canadian products, post-war	309	
wooden crates, market conditions...	168	
British Honduras, market prospects for Canadian products, post-war	309	
waterworks for Belize, proposed..	365	
Trinidad, aluminium, import restrictions removed	280	
cacao industry, plans for revival.....	543	
cardboard containers, market conditions	168	
eggs (dried), market prospects....	278	
export trade	187	
exports to Canada.....	189	
non-foodstuffs, import licences extended	153	
reports of Trade Commissioner G. A. Newman, Port of Spain.....	32, 103	
168, 187, 278, 498		
report of Assistant Trade Commissioner W. B. McCullough, Port of Spain	104	
sanatorium, proposed construction..	32	
vegetables, market conditions for dehydrated	104	
wooden crates, market conditions.	168	
Bronze Powder		
Argentina, imports in 1938-43.....	388	

C

PAGE

PAGE

Canada

Agency appointments in foreign markets: recommendation to exporters	299
Belgium, ban on trading removed.....	214
British Trade Commissioners, official list	317
Communication permitted with firms in Czechoslovakia, Poland, Lithuania, Latvia, Estonia, and Italy	544
Contacts with overseas buyers, arrangements through the New York office	489
Deputy Minister (M. W. Mackenzie) assumes office	181
Export commodities and industries: alcoholic beverages	161
heavy chemicals	96
non-ferrous metals	2
pulp and paper.....	261, 286
rubber	52
Export control regulations, amendments	19, 89, 177, 329, 437, 484, 525, 567
Export programs	400
for Empire countries.....	441, 477
for liberated areas.....	431
for Newfoundland and the British West Indies, food.....	491
Exports, procedure under shipping regulations	125
summary by months.....	85, 173, 255, 368, 454, 567
to the British West Indies (Eastern Group and British Guiana), Iceland, and Newfoundland, shipping regulations	172, 196
to foreign countries: summary of regulations	69
to Latin America, decentralization plan further modified.....	194
to Middle East countries, commodities to be supplied.....	279
shipping regulations amended..	128
to Turkey, shipping regulations....	281
to the United States under the quota provisions of the trade agreement	88, 176, 281, 373, 461
External trade: summary by months.	39, 125, 214, 302, 414, 503
France, business travel to be permitted	42
Mail services to Belgium extended.....	31, 392
to Belgium, France, Finland, and Roumania, regulations governing	300
to Bulgaria extended.....	176
to Channel Islands resumed.....	506
to France for gifts authorized....	151
to France, Netherlands, and the Philippines resumed	457
to Greece extended.....	176, 255, 392
to Italy, rates fixed.....	19
to Middle East countries, regulations governing parcel post shipments	231
to Netherlands resumed.....	101

Canada—Con.

Mail Services—Con.	
to Norway, Netherlands, and British Solomon Islands resumed.....	524
to Russia by air resumed.....	506
<i>Modus vivendi</i> with Venezuela renewed	392
Publications, list of departmental.....	22, 238, 350, 486
Securities, international trade in 1944	242
Shipments to Middle East and African countries, procedure governing.	1
Shipping-space applications for commercial shipments discontinued.	484
Trade with France, Andorra and Monaco, restrictions removed..	152
with France, French North Africa, and French West Africa, possibilities for resumption.....	300
Trading with the enemy: list of specified persons	329
notice re Roumania.....	301
with Yugoslavia to be resumed....	367
Wheat, world situation.....	326
Calcium Carbide	
Argentina, imports in 1938-43.....	387
Cardboard Containers	
British West Indies, Barbados, market conditions	168
British Guiana, market conditions..	168
Trinidad, market conditions.....	168
Charcoal	
United Kingdom, production in the North of England.....	184
Chile	
Building activity increased in 1944.....	412
Cement, import requirements.....	254
production and consumption.....	480
Grain acreage, 1944-45.....	36
Housing program, projected.....	481
Iron and steel, production.....	481
Market prospects for Canadian products, post-war	309
Pulp, duty reduced.....	197
Railways, post-war plans for state....	169
Report of Commercial Attaché M. J. Vehsler, Santiago	169
Roads and bridges, construction in 1944	412
Colombia	
Building, increased activity.....	481
Cement, output increased.....	560
Documentation, consular fees.....	236
Exports in 1943.....	515
Highways, expenditure for construction in 1944.....	212
proposed construction of military...	412
Imports in 1943.....	513
Market prospects for Canadian products, post-war	309
Production and trade.....	509

PAGE		PAGE
Colombia—Con.		
Raw materials, shortage of supplies...	481	Conditions in foreign countries:
Report of Trade Commissioner M. T. Stewart, Bogota	509	Brazil 177
Shipments by air express and parcel post, invoicing requirements...	236	Cuba 89
Telephone lines, proposed construction	412	Dominican Republic 89
Trade with Canada.....	516	El Salvador 109, 460
Copper		Guatemala 109, 460
Argentina, imports in 1942.....	388	Honduras 109, 460
Costa Rica		Mexico 109, 460
Exports and imports.....	465	Peru 89
Highways, proposed construction.....	412	Puerto Rico 89
Market prospects for Canadian products, post-war	309	United States Virgin Islands..... 89
Trade with Canada.....	469	United Kingdom, arrangements with Egypt 117
Cuba		
Exchange conditions	89	F
Fish (dried), market conditions.....	83	
Market prospects for Canadian products, post-war	309	Ferro-alloys
Public works construction, projected..	561	Argentina, imports in 1940-43..... 388
Reports of Trade Commissioner J. L. Mutter, Havana	83, 89	
Cyprus		Finland
Oil-burning appliances, duty removed.	153	Economic conditions
D		United Kingdom
Dominican Republic		106
Exchange conditions	89	
Imports, additional tax.....	301	Fish
Wire, imports, Jan.-Aug., 1944.....	412	United Kingdom, production..... 316
E		United States, price ceilings revised for Canadian lake..... 236
Ecuador		
Market prospects for Canadian products, post-war	309	Fish (Canned)
		United States, sales restrictions on 1945 pack
Egypt		345
Cotton, estimated production in 1944.	212	Fish (Dried)
Exchange arrangements with the United Kingdom	117	Cuba, market conditions..... 83
Foreign trade, Jan.-Sept., 1944.....	212	
Grain, estimated production in 1944..	212	Flour
Irrigation, post-war plans.....	365	Australia, supply situation .. 80, 253, 364, 542
Eire		
See Ireland		Foodstuffs
Electrical Appliances		United Kingdom, wartime consumption
India, market for household.....	142	50
United Kingdom, market.....	182	
requirements	272	France
El Salvador		Economic conditions
Exchange conditions	109, 460	135
Market prospects for Canadian products, post-war	309	Financial conditions
Vegetables (dehydrated), market conditions	206	Insecticides, increased demand..... 481
		Reports of Commercial Secretary Yves Lamontagne, Paris. 113, 135, 157
		Trade, conditions affecting..... 113
		French Guiana
		Market prospects for Canadian products, post-war
		309
French Morocco		
		Agricultural machinery, requirements. 365
Furs and Skins		
		Argentina, imports in 1938-43..... 390
		Newfoundland, market conditions..... 58
		United Kingdom, plans for post-war trade revival
		161

G	PAGE	PAGE	
Grain		India—Con.	
Argentina, crop estimate for 1944-45..	84	Railways, post-war construction plans	192
purchase programs	82	returns for 1943-44.....	366
Great Britain		Reports of Trade Commissioner Paul	
<i>See United Kingdom</i>		Sykes, Bombay.....	142, 190, 319, 379
Guatemala		Resources, review of potential.....	366
Exchange conditions	109, 460	Toilet articles and preparations, mar-	
Market prospects for Canadian prod-		ket conditions	319
ucts, post-war	309	Trade controls relaxed.....	346
Vegetables (dehydrated), market con-			
ditions	206		
H			
Haiti			
Market prospects for Canadian prod-			
ucts, post-war	309		
Hay			
United Kingdom, crop conditions....	160	Airport, establishment of free.....	168
Herring Barrels		Budget for 1945-46.....	453
Newfoundland, market requirements.	30	Exchequer returns for 1944-45.....	407
Honduras		Economic conditions in 1944.....	473
Exchange conditions	109, 460	Footwear, headwear, and metal screws,	
Market prospects for Canadian prod-		import quotas fixed for July-	
ucts, post-war	309	Dec., 1945.....	544
Vegetables (dehydrated), market con-		Housing, post-war requirements.....	361
ditions	206	Import quotas for certain products,	
Housing		Jan.-June, 1945	43
United Kingdom, post-war program..	340	Motor vehicles, imports in 1938.....	205
I		post-war market prospects.....	202
Iceland		Paper, production and imports.....	492
Foreign trade statistics.....	247	Reports of Trade Commissioner E.	
Market conditions	228, 247	L. McColl, Dublin.....	202, 293, 407,
Points for Canadian exporters.....	250	473, 492	
Import Regulations		Report of G. Shera, Office of the Trade	
<i>See Trade Regulations and Tariff Changes</i>		Commissioner, Dublin	453
India		Washing-machines, market conditions.	293
Box shooks, market conditions.....	190	K	
Budget provisions for 1945-46.....	347	Vegetables, production of dehydrated.	561
Business conditions	37, 365		
Electrical appliances, market for		L	
household	142	Live Stock	
Exports in 1939-40.....	379	United States, ceiling prices establish-	
to Canada in 1939-40.....	380	ed for live cattle.....	146
Foodstuffs in short supply	37		
Foreign trade, Apr.-Sept., 1944.....	365	M	
Import control regulations relaxed....	37	Mail Services	
Importers, suggestions for Canadian	379	Canada to Belgium extended.....	31, 392
Imports from Canada, exchange pay-		to Belgium, Finland, France and	
ment regulations	152	Roumania, regulations govern-	
Machine tools, production to be in-		ing	300
creased	37	to Bulgaria extended	176
Motor vehicles, proposed imports from		to Channel Islands resumed.....	506
the United Kingdom.....	366	to France for gifts authorized.....	151

Mail Services— <i>Con.</i>	PAGE	PAGE
Canada—<i>Con.</i>		
to France, Netherlands and the Philippines resumed	457	
to Greece extended	176, 255, 392	
to Italy, rates fixed.....	19	
to Middle East countries, regulations governing parcel-post shipments	231	
to Netherlands resumed	101	
to Russia by air resumed.....	506	
to Norway, the Netherlands, and British Solomon Islands resumed	524	
Mexico		
Exchange conditions	109, 460	
Industry, plan to stimulate.....	212	
Market prospects for Canadian products, post-war	309	
Pharmaceutical products, registration fees changed	44	
Reports of Trade Commissioner C. S. Bissett, Mexico City..	109, 206	
Vegetables (dehydrated), market conditions	206	
Motor Vehicles		
Ireland, imports in 1938.....	205	
post-war market prospects.....	202	
N		
Neiherlands Guiana		
See Surinam		
Netherlands West Indies		
Market prospects for Canadian products, post-war	309	
Newfoundland		
Budget provisions for 1945-46.....	429	
Cost of living increased.....	347	
Duty changes in 1945-46 budget.....	458	
Education program, development of visual	38	
Employment conditions	150	
Fish, supply position reviewed.....	366	
Furs, market conditions.....	58	
Geological survey operations for 1945 to be expanded.....	347	
Herring, contract with UNRRA.....	124	
barrels, market requirements.....	30	
Industrial development	149	
Iron manganese ore, recent discovery..	38	
Labour recruitment by Canadian industry	348	
Lobster (canned), production.....	192	
Lumber, essentiality certificates required for imports.....	150	
grading regulations	102	
Marine engines, proposed production.....	38, 192	
Newsprint, exports	413	
Paper bags, proposed production.....	413	
Railways, building program.....	171	
Newfoundland—<i>Con.</i>		
Reports of Trade Commissioner R. P. Bower, St. John's.....	30, 58, 102	
Report of Acting Trade Commissioner J. C. Britton, St. John's..	429	
Revenue and expenditure, Apr.-Dec., 1944	124	
Salmon, prices fixed.....	562	
fishing, conditions in the industry...	124	
Tobacco, imports and consumption..	413	
Toys, production	171	
War savings certificate, issue discontinued	38	
Water-power resources to be surveyed	38	
Newsprint		
Argentina, imports in 1938-43.....	384	
Australia, rationing regulations relaxed	471	
New Zealand		
Agricultural conditions in 1942-43....	19	
Bicycles and parts, market demand..	562	
Dairy produce, production.....	61	
Fertilizers, increased demand.....	482	
Import licensing, substitutions.....	153	
regulations amended	458	
Live-stock statistics	62	
Lumber, production and imports, 1942-43	150	
Meat, prices increased for exports....	193	
Mercury, production	63	
Onions, production and exports.....	63	
Piece-goods, import licences to be granted for cotton and rayon from Canada and the United States	177	
Production plans	427	
Railways, report for 1943-44.....	63	
Reports of Acting Trade Commissioner C. B. Birkett, Auckland.	427, 472	
Textiles, manufacture to be subsidized	213	
Wage rates adjusted.....	472	
Wool, stocks increased.....	171	
Nicaragua		
Bicycles, market demand.....	413	
Imports and exports in 1943.....	531	
Market prospects for Canadian products, post-war	309, 529	
Trade with Canada in 1943.....	533	
Nigeria		
Development plans, proposed.....	482	
Northern Ireland		
See United Kingdom		
Northern Rhodesia		
Economic conditions in 1944.....	344	
Nyasaland		
Economic conditions in 1944.....	404	

P	PAGE	PAGE	
Panama			
Market prospects for Canadian products, post-war	309	Softwoods	
		See Lumber and Timber	
Paper			
Argentina, imports in 1939-43.....	385	South Africa	
Ireland, production and imports.....	492	Advertising facilities	445
<i>See also</i> Newsprint		Air services, resumption of civil.....	213
Paraguay		Economic conditions in 1944.....	421
Imports in 1938-40.....	479	Financial conditions in 1944.....	421
Market prospects for Canadian products, post-war	309	Foodstuffs, inquiry into distribution..	171
		production and exports in 1944.....	424
Peru		Glass, production increased.....	483
Box shooks, imports in 1938-44.....	208	Gold, production in 1944.....	172, 328
market conditions	208	Import permits and certificates of	
Electrification projects, proposed.....	328	essentiality, validity periods	
Exchange conditions	89	fixed	545
Hospitals, proposed construction.....	367	Imports and exports in 1944.....	424
Import licensing regulations extended	109	Milk (sweetened condensed), duty	
Lumber, market conditions.....	208	free	153
Market prospects for Canadian products, post-war	309	Reports of Trade Commissioner	
Reports of Commercial Secretary		H. L. Brown, Johannesburg ..	343, 404,
W. G. Stark, Lima.....	89, 208, 435		421, 445
Wallpaper, imports and market.....	435	Samples, import regulations.....	177
Potatoes		Steel, production in 1943-44.....	213
Argentina, market possibilities for seed	386		
Puerto Rico			
Exchange conditions	89	Southern Rhodesia	
Market prospects for Canadian products, post-war	309	Economic conditions in 1944.....	343
Pulpwood			
United States, ceiling prices reduced on supplies from Eastern Canada	105	Surinam	
		Market prospects for Canadian products, post-war	309
R			
Refractory Materials		Sweden	
Argentina, consumption	387	Monetary agreement with the United Kingdom	285
Russia		Paper, exports in 1944.....	348
Aluminium, production	254	production and exports in 1943.....	234
Electric power, production.....	437	Reconstruction, mechanical process to be adopted	213
Forests, restoration of war-damaged..	85		
Motor vehicles, production.....	483		
Replanning of cities, government projects	299		
S			
San Domingo		T	
Market prospects for Canadian products, post-war	309	Timber	
Shovels		See Lumber and Timber	
Argentina, imports in 1938-43.....	388	Toilet Articles	
		India, market	319
Trade Regulations and Tariff Changes			
Argentina, consular fees, exchange rate for collection.....			525
Australia, import licensing regulations amended			566
Belgian Congo, imports restricted....			329
Brazil, import licensing regulations imposed			109
British West Indies, Bahamas, films (cinema), duty changed.....			280
import control requirements.....			89
Bermuda, import restrictions relaxed..			43
British Guiana, bulk purchasing regulations modified			372
import control requirements.....			89

PAGE	PAGE
Trade Regulations and Tariff Changes	
<i>—Con.</i>	
British Guiana— <i>Con.</i>	
imports from Canada and the United States, validity of licences	65
iron and steel products exempt from bulk purchasing regulations.....	372
Trinidad, aluminium, import restrictions removed	280
import control requirements.....	89
import licences extended.....	153
Canada, exports to the United States under the quota provisions of the trade agreement.....	88, 176, 281
<i>modus vivendi</i> with Venezuela renewed	373, 461
Chile, pulp, duty reduced.....	392
Colombia, documentation, consular fees	197
shipments by air express and parcel post, invoicing requirements....	236
Cyprus, oil-burning appliances, duty removed	153
Dominican Republic, imports, additional tax imposed.....	301
India, imports from Canada, exchange payment regulations	152
Ireland, footwear, headwear, and metal screws, import quotas fixed for July-Dec., 1945	544
import quotas for certain products, Jan.-June, 1945	43
Mexico, pharmaceutical products, registration fees changed.....	44
Newfoundland, duty changes in 1945-46 budget	458
New Zealand, import licensing, substitutions	153
regulations amended	458
piece-goods, import licences to be granted for cotton and rayon from Canada and the United States	177
Peru, import licensing regulations extended	109
South Africa, import permits and certificates of essentiality, validity periods fixed	545
milk (sweetened condensed), duty free	153
samples, import regulations.....	177
United Kingdom, duties, re-establishment of suspended.....	545
flour, sales regulations amended....	65
Food Labelling Order 1944, amendments	108
import licensing position reviewed.....	370
machinery, certain types, duty free. control regulations relaxed.....	566
tariff changes in 1945-46 budget.....	525
United States, fish; tariff-rate quota for certain types nearly filled.. increased	437
fox furs	545
Trade Regulations and Tariff Changes	
<i>—Con.</i>	
United States— <i>Con.</i>	
imports from Canada under the quota provisions of the trade agreement	88, 176, 281, 373, 461
potatoes (seed), tariff-rate quota filled	65
Uruguay, consular invoice, new form required	20
Venezuela, <i>modus vivendi</i> with Canada renewed	392
wrapping paper, new tariff classifications	153
Timber	
<i>See Lumber and Timber</i>	
Trinidad	
<i>See British West Indies</i>	
Turkey	
Hospital facilities, proposed extension	328
U	
United Kingdom	
Agricultural mechanization increased. prices for 1945-46.....	348
British Overseas Airways, activities in 1944	241
Budget provisions, 1945-46.....	367
Bulk purchasing, government.....	397
Capital issues, control measures.....	78
Charcoal, production in the North of England	535
Coal mining, conditions in the industry	184
Duties, re-establishment of suspended. Electrical appliances, market.....	377
power, development	545
Exchange arrangements with Egypt..	182
Export guarantee legislation.....	271
Exports, post-war planning. in 1944	117
to Canada in 1944.....	133
Exports, post-war planning. in 1944	210
Export Trade Research Organization in operation	221
Fish, production	318
Flour, sales regulations amended....	316
Food Labelling Order 1944, amendments	65
Foodstuffs, wartime consumption.....	108
Fur trade, plans for post-war revival.	50
Hay, crop conditions.....	161
Housing program, post-war.....	160
Import licensing position reviewed ..	340
Imports in war time.....	370
Import trade, effect of reduction in lend-lease	25
Industrial design, proposed improvement	49
Industry, arrangements for financing.	64
Machine tools, control regulations relaxed	134
Machinery, certain types duty free.. control regulations relaxed.....	566
fox furs	525

United Kingdom—Con.

Manpower, re-allocation program.....	557
Ministry of Food, operations in 1944.....	93
Monetary agreement with Sweden.....	285
Motor-vehicle taxation, basis to be altered	39
Northern Ireland, economic conditions in 1944	517
Raw materials, trends and prices.....	195, 523
Reports of Trade Commissioner E. L. McColl, Belfast.....	361, 517
Report of Trade Commissioner G. B. Johnston, Glasgow.....	186
Reports of Trade Commissioner A. E. Bryan, Liverpool.....	160, 184, 341
Reports of Chief Trade Commissioner Frederic Hudd, London.....	93, 221
Report of Trade Commissioner R. P. Bower, London	557
Reports of Trade Commissioner J. A. Langley, London.....	25, 49, 78, 117, 133, 134, 182, 225 241, 271, 285, 316, 340, 377, 397, 490, 535
Reports of C. G. Venus, Office of the Trade Commissioner at London.....	50, 79, 161, 226, 318
Salmon (canned), labelling regulations for Canadian	172
Scotland, post-war prospects for industry	235
shipbuilding and engineering, conditions in the industries.....	193
town and country planning.....	186
Shipping position, Merseyside.....	341
Tariff proposals in 1945-46 budget.....	391
Taxation relief for industry, post-war.....	225
Trade and technical press, handicaps to operation	490

United States

Agriculture, program for 1945.....	522
Blueberries, ceiling price established for Canadian frozen.....	382, 457
Business conditions	564
Cattle, ceiling prices established for live	146
Contacts with overseas buyers, procedure to arrange.....	489
Cost-of-living changes in Southern California	232
Economic conditions in 1944.....	201
in Southern California in 1944.....	296
in the post-war period.....	252
on the West Coast.....	319
Fish, price ceilings revised for Canadian lake	236
tariff-rate quota increased.....	437
for certain types nearly filled.....	525
(canned), sales restrictions on 1945 pack	345
Foreign trade in 1944.....	201
Fox furs, import quota regulations....	545
Imports, control regulations amended.....	32

PAGE**United States—Con.**

Imports from Canada under the quota provisions of the trade agreement	88, 176, 281, 373, 461
Mr. Butler to visit Bermuda.....	151
Potatoes (seed), tariff-rate quota filled	65
Pulpwood, ceiling prices reduced on supplies from Eastern Canada.....	105
Red cedar shingles, duty-free quota fixed for 1945.....	302
Reports of Acting Trade Commissioner T. J. Monty, Los Angeles	232, 252, 296, 321
Report of Trade Commissioner B. C. Butler, New York.....	201
Reports of Assistant Trade Commissioner L. H. Ausman, New York	32, 228, 247, 345, 382, 489
Reports of W. D. Wallace, Office of the Trade Commissioner at New York	105, 146, 549

United States Virgin Islands

Exchange conditions	89
---------------------------	----

Uruguay

Consular invoice, new form required.....	20
Machinery (paint-manufacturing), market demand	562
Market prospects for Canadian products, post-war	309

V**Vegetables**

British West Indies (Eastern Group) and British Guiana, market conditions for dehydrated.....	104
El Salvador, market conditions for dehydrated	206
Guatemala, market conditions for dehydrated	206
Honduras, market conditions for dehydrated	206
Mexico, market conditions for dehydrated	206

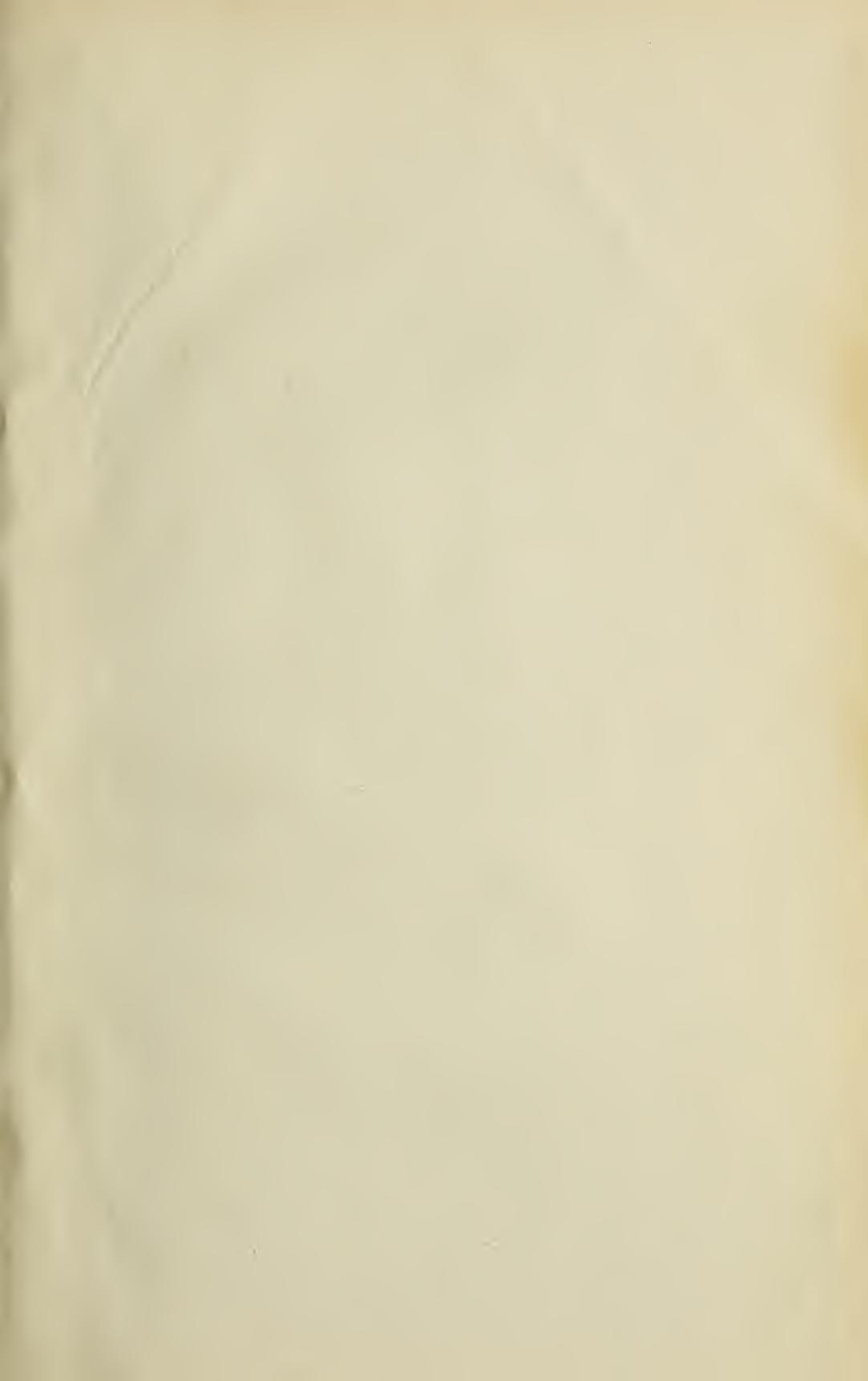
Venezuela

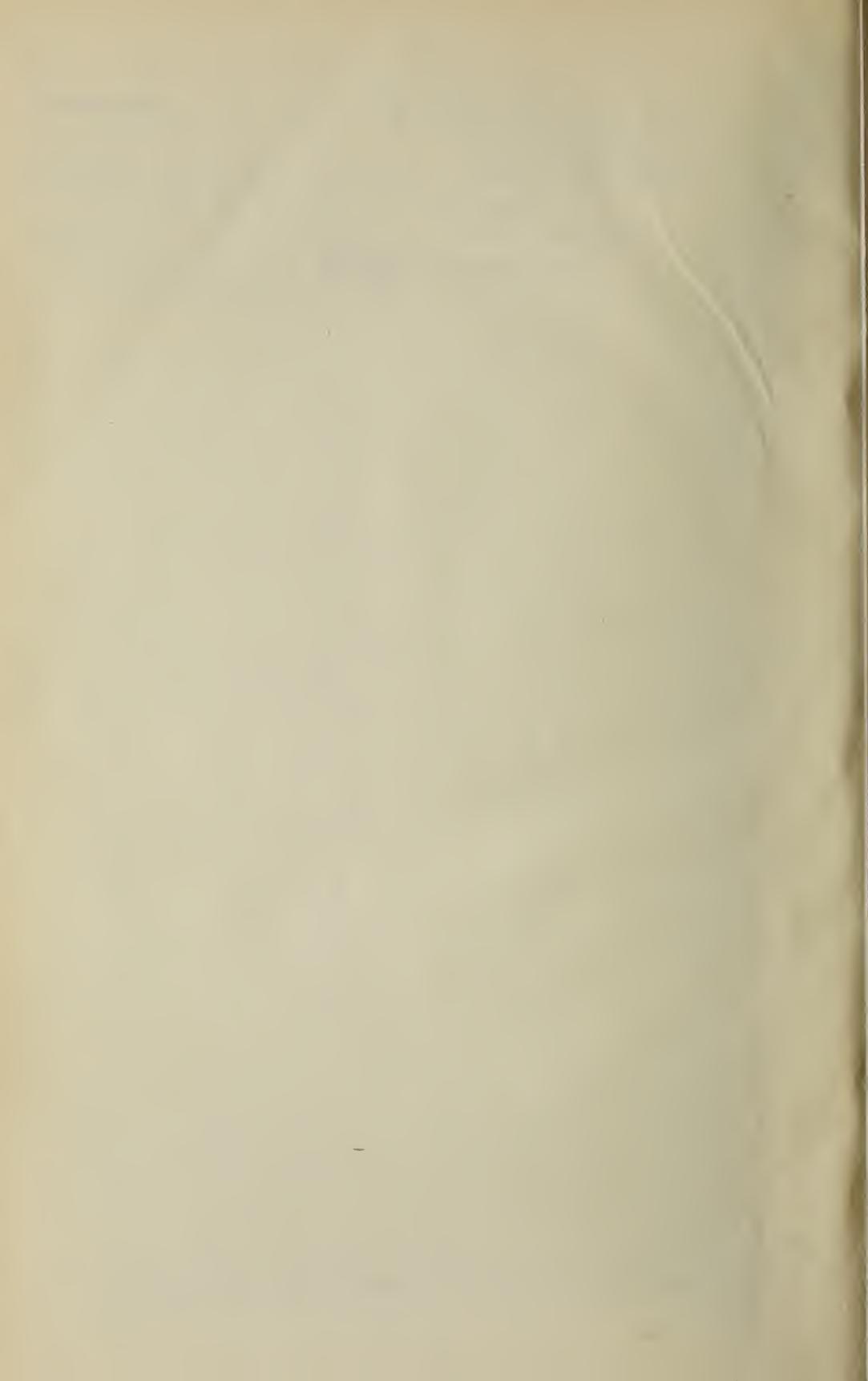
Foreign trade in 1944.....	563
Market prospects for Canadian products, post-war	309
<i>Modus vivendi</i> with Canada renewed	392
Public works, construction program..	254
Wrapping paper, new tariff classifications	153

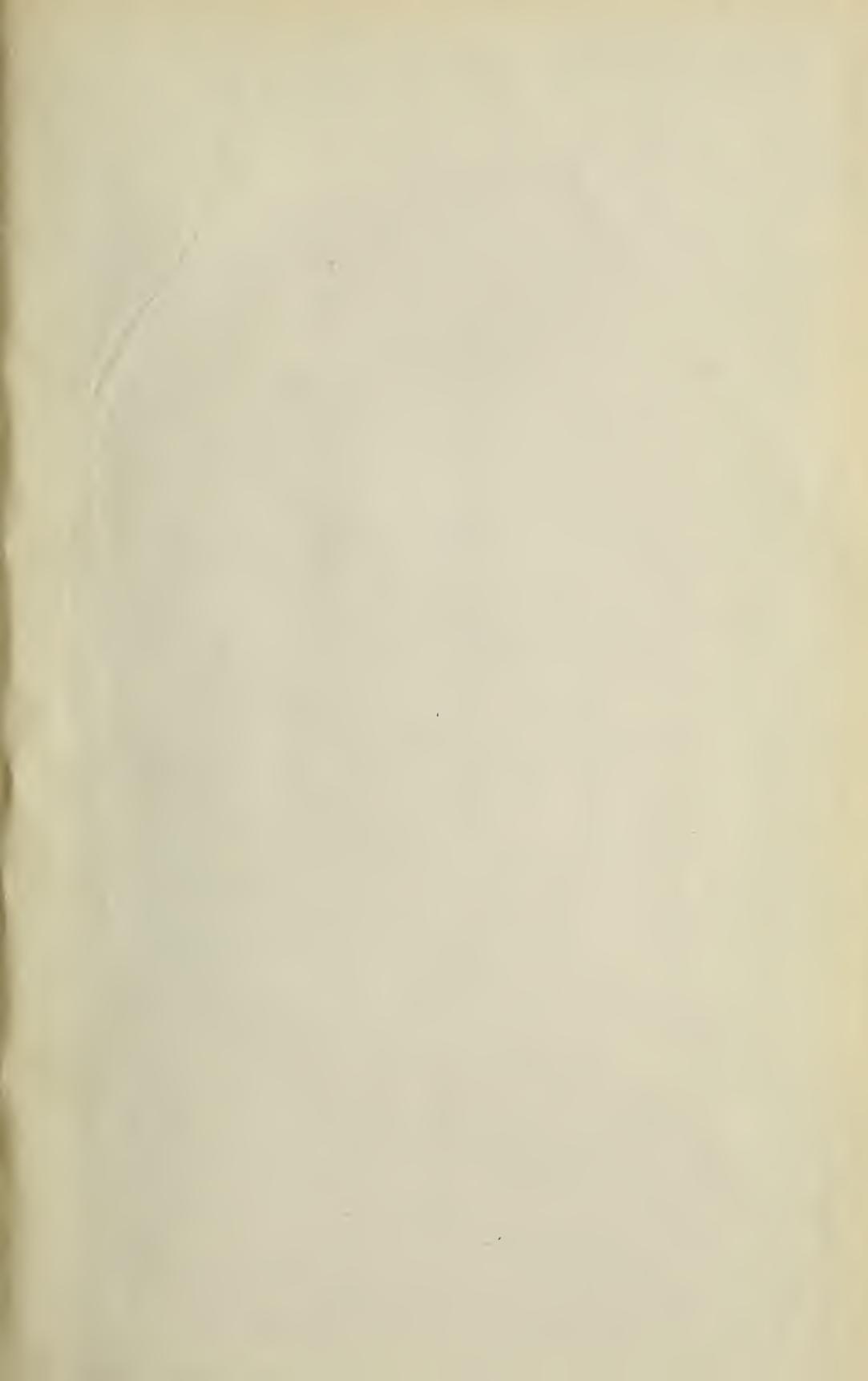
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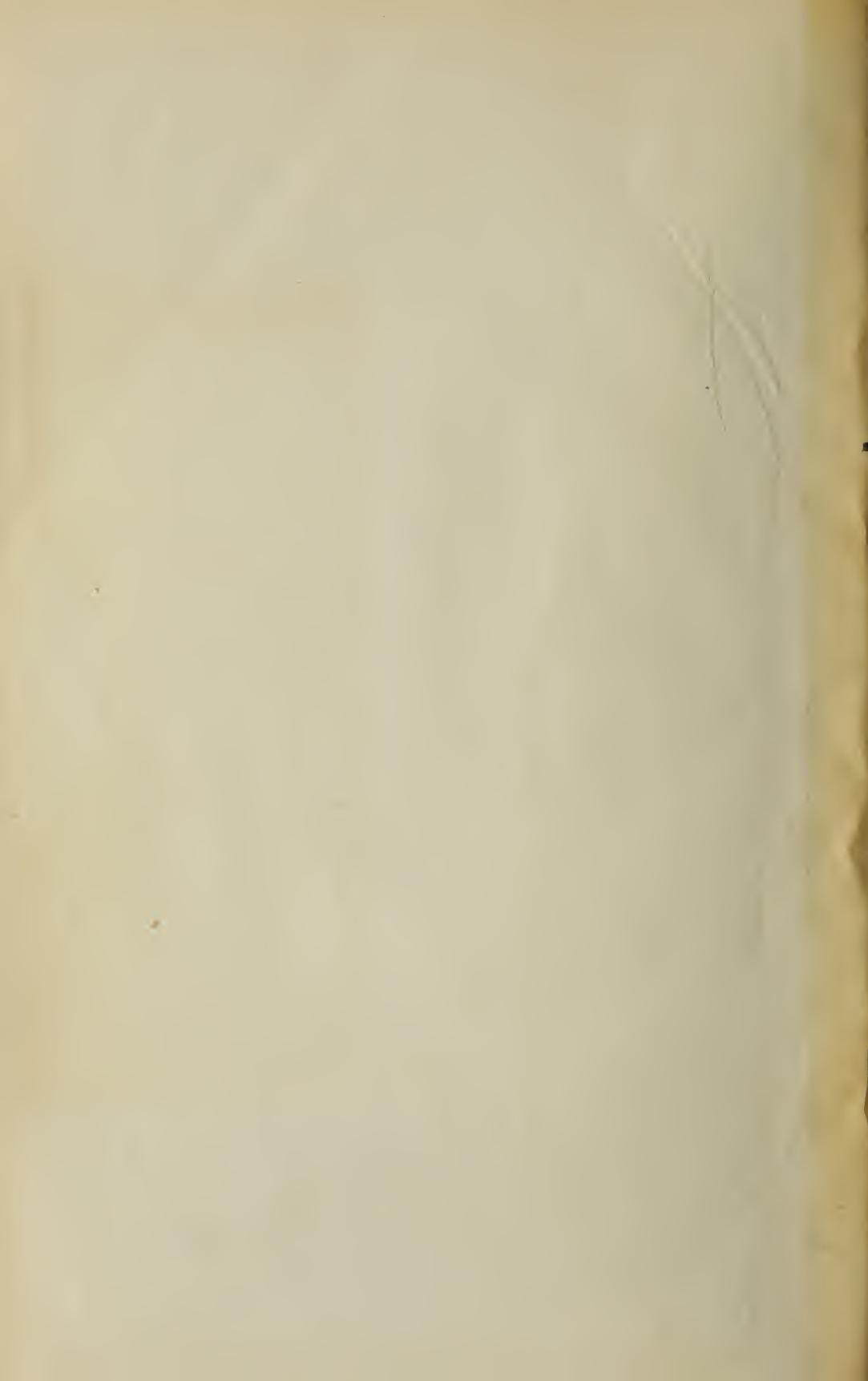
Peru, imports and market.....	435
-------------------------------	-----

	PAGE		PAGE
Washing-Machines		Wooden Crates	
Ireland, market	293	British West Indies, Barbados, mar- ket conditions	168
Wattmeters		British Guiana, market conditions..	168
Argentina, imports in 1938-43.....	389	Trinidad, market conditions.....	168
Wheat		Wood-Pulp	
Australia, supply position.....	80, 170, 253, 364, 480, 542	Argentina, consumption	385
World market conditions.....	34, 326	Wrapping Paper	
		See Paper	









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